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NEWS SUMMARY

GENERAL

Thorpe 'dossier seen' in S. Africa

Britain describing himself as an ex-USAF intelligence officer said last night that he had seen 5 dossiers on prominent British Liberals at the Pretoria headquarters of Boss, the South African security service.

Lt-Colonel Frederick Chessman told the Press Association that the politicians included Jeremy Thorpe, Cyril Smith, Richard Ainsworth and possibly David Steel. The South Africans had requested his advice on how to handle the dossiers "could be best used to disrupt the Liberal Party".

The claim followed yesterday's announcement by South Africa that it was recalling Mr. J. L. M. van der Merwe, its ambassador in London, who is alleged to have tried to obtain a pornographic film involving a leading British politician.

Leehan may be freed to-day

Patrick Leeahan, serving a life sentence for a murder he fears he did not commit, may be freed from Peterhead prison to-day, his solicitor suggested in a statement last night.

Ikomo sees PM

Joshua Nkomo, the Zambian nationalist leader, had a private audience with Mr. Ian Callaghan, the Prime Minister, at Downing Street, last night, it was reported by a spokesman.

Iceland MPs' move on Nato

Icelandic MPs tabled a resolution last night calling for the withdrawal of US troops from the island, following the NATO decision to place cruise missiles in the country.

IRA arms' swoop

John Banks, who recruited recruits for the IRA, was one of five men helping police with the search for arms last night in the streets of London.

Home office rebuff

An emotional outburst at the House of Commons last night by Mr. David Hunt, the Home Secretary, was rebuffed by the government.

James vote wins

Government had a majority of 100 in the House of Commons last night when it defeated a motion for a vote of confidence in the government.

Ryan fails

Premier Major Jaffard failed to ease the tension between the British and Lebanese in Jerusalem, another Arab in anti-Israel rioting. Three Israelis were killed in a clash in the River Jordan. Middle East news page 5.

efly tremors

Earth tremors struck Soviet Asia while relief teams tried to remove towns hit by the powerful earthquake, reported.

er was killed

500 feet below, below the St. Mary's colliery, Work. News.

by 200 Reading children

from three schools with food poisoning.

in police shot dead

six men who were shot dead by police after escaping from a prison.

BUSINESS

Gilts and equities improve; £ firmer

GILTS were in demand. Longs closed at the day's best with gains ranging to 3, while shorts rose by up to 1. Government Securities Index added 0.40 at 53.51.

EQUITIES took their cue from gilts in quiet trading. The FT 30-share index gained 4.2 at 403.2. The Oils sector, up 0.4 per cent, at 390.98, hit a 1976 peak. Insurance Brokers



and Stores recorded above-average rises. Gold Mines index lost 3.3 to 171.6 for a fall of 20.4 in five trading days.

INVESTMENT DOLLAR premium fell three points to 120 per cent.

STERLING gained 55 points at \$1.8110, while its weighted depreciation narrowed to 37.6 (37.9) per cent. Dollar's weighted average widened to 1.53 (1.38) per cent.

GOLD eased \$1 to \$127.

WALL STREET was 1.89 higher at 989.53 shortly before the close.

U.S. TREASURY Bill rates: Three-month (5.07) per cent; Six-month (5.25) per cent.

Clyde shipyard wins £16m. order

FURNESS WITBY has ordered two cargo liners, together worth at least £16m., from Scott Lithgow, the Lower Clyde shipbuilders. Back Page

EMI is to buy British Lion Films. Mr. Michael Deely and Mr. Barry Spinkings, who own and run the film company, will join EMI Film Distributors as joint managing directors. Back Page

BRITISH STEEL faces a union pay demand for manning a blast furnace being built at Redcar, Teesside, which is far in excess of the award. After a bitter dispute at Llanwern, South Wales. Back Page

DATASPRINT chairman, Mr. David Hunter Johnston, has resigned to help resolve the dispute between the management and employees of the computerised financial services group. Back Page

NEWSPRINT PRICE rise of up to £20 a tonne from August 1 is being sought because of the continuing decline in the value of sterling against the currency of supplier countries, notably Scandinavia. Page 7

COMPANIES

ARTAGEN PROPERTIES, in an increasingly acrimonious bid battle with Sun Life Assurance over its offer of 73p, claims its shares are worth at least 123p. Page 16 and Lex

DEBENHAMS pre-tax profit in the year to January 31 rose to £15.5m. (£15.1m.). Page 15 and Lex

W. MALLINSON and Denny Mott, timber merchants, reports 1975 pre-tax profits of £5.17m. (£3.89m.) and is to raise £3.99m. by a one-for-three rights issue. Page 13 and Lex

Price Code needs modifying

Callaghan agrees

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

The Government recognised that the Price Code needed modification, the Prime Minister said last night. He went on to outline the main changes to take effect in August.

Mr. Callaghan, speaking at the annual dinner of the Confederation of British Industry, promised early discussions about what should happen when the present price legislation expires. "The background to these discussions will be the need for industry to plan on a long-term basis, as well as the need to take account of the legitimate concerns of consumers about price levels," he added.

The Prime Minister said changes to the code for 1976-77 would include:

1. "Additional provisions which will help stimulate investment in our own economy and in jobs for our own people. By this, industrialists took him to mean that there will be an increase in the current 20 per cent allowance on new investment and perhaps other factors might be included in the calculations, such as working capital, as the CBI has suggested, or commercial buildings, as retailers would like."
2. "There will be changes to help offset the effects of inflation on the depreciation of assets and stock appreciation."
3. "The productivity deduction will be reviewed."
4. "There will be other steps designed to deal with the way in which the Price Code penalises firms when their output expands or when they cut costs."
5. "It is proposed to alter the way in which firms are categorised at present in order to take account of inflation and to ease the administration of the controls." [At present companies with a turnover of more than £5m. must report and this threshold obviously is to be raised.]

Earlier, Sir Ralph Bateman, speaking on the last day of his two-year term as CBI president, made industry's viewpoint clear. "All other Government action would fail unless the Price Code was either abolished or substantially changed," he insisted.

The essentials of our argument are that the provisions of the Price Code prevent internal generation of cash for re-investment and make companies as inadequately profitable that they cannot afford to "borrow" for investment.

Essential

"Pay restraint and price control, in the eyes of the ordinary people of this country, go together."

But ordinary people also know that industry should be able to earn sufficient profit on its investment to protect jobs and to make much greater investment worthwhile."

The Prime Minister pointed out that he had made it clear in Commons that an essential part of the Government's economic strategy is "the recovery and the profitability of the private sector of British industry in order to achieve a high wage, high output, high employment economy."

Mr. Mason said in a written Parliamentary answer last night that the preliminary results of new studies indicated that Soviet military spending in 1975 alone amounted to over 50bn. roubles and that for many years defence expenditure had been growing by an average annual rate of 4 per cent in real terms.

Various conclusions may be drawn from the new estimates, the most obvious of which is the very high priority which the Soviet leadership has been prepared for many years, to devote to defence spending.

The estimates do not suggest, however, that the Soviet Union is militarily any more powerful than has previously been thought. On the contrary, they indicate that the military production machine is considerably less efficient and may share some of the shortcomings of the civilian sector.

The 11-12 per cent figure for the share of GNP compared to earlier British estimates of about 7 per cent. The total 50bn. rouble figure for 1975 spending is about three times the officially published Soviet figure of 17.4bn. roubles.

The new British estimates, which are similar to some recent work done in the U.S., also contrast sharply with Soviet claims that military spending in 1974 and 1975 actually declined and in 1976 is being held steady.

DEFENCE EXPENDITURE AS PERCENTAGE OF GNP

(1975 estimates)	
Britain	5.7
France	4.6
Italy	2.8
W. Germany*	5.0
U.S.	6.7
S. Union	11-12

* Includes expenditure on Berlin

By comparison, U.S. spending as a share of GNP last year was 6.7 per cent and the comparable figure for Britain and West Germany were 5.7 and 5 per cent respectively (including, in the latter case, expenditure on Berlin).

Western analysts have for some time been warning of the risk of Soviet spending hard to reconcile with the large and

observable increase in Soviet spending hard to reconcile with the large and observable increase in Soviet military capabilities in recent years, even allowing for the fact that only 7-8 per cent of spending goes on pay and allowances as against 42.5 per cent in West Germany.

The new estimates have been arrived at after a thorough appraisal of the cost of the Soviet military effort and, in particular, of supplying and maintaining new weapons systems.

Conversions into dollar terms are exceptionally difficult because of the different economic and pricing systems but it is estimated that if the 1975 defence effort were costed as if it were mounted in a western country, expenditure would have been £155bn.—or 40 per cent, higher than U.S. spending.

The estimates given by the International Institute for Strategic Studies in *The Military Balance 1975-76* put 1975 Soviet spending at 26.2bn. roubles—a figure derived by adding 75 per cent of the ALL-Union scientific budget to the official defence budget. As a share of GNP, that would have been a little over 3 per cent.

Editorial comment Page 12

Pay deal backed by more unions

By Roy Rogers in Scarborough

UNION CONFERENCE decisions taken in Scarborough yesterday swung a further 1.4m. votes behind the Government-TUC pay proposals, which will almost certainly attract a majority of more than four to one at a special TUC congress on pay next month.

Delegates to the Amalgamated Union of Engineering Workers' national committee and the annual conference of the Inland Revenue Staff Federation came out in favour of the 4 per cent pay policy due to be introduced from August 1.

These decisions mean that Mr. Jim Callaghan, the Prime Minister, is preaching to the converted when he flies here to address both conferences later to-day.

After a four-hour debate the 52-man national committee representing the AUEW's dominant engineering section rejected by 25 votes to 23, with one abstention, a Left-wing supported motion urging the union to withdraw its support for the social contract.

They then backed by broadly similar margins motions pledging full support for the proposed pay policy, the Labour Government and for a return to free collective bargaining "when economic circumstances permit."

Decisive

This decisive support for the policy from a union which initially rejected the present 8 per cent limit before reversing that decision last September, was achieved without Mr. Hugh Scanlon, AUEW president, entering the debate.

He made it clear to delegates that he would prefer to keep his powder dry for the unions' full conference here next week when a mandate on the engineering section delegates will ensure that those from the technical and supervisory sections (TASS) and construction sections will have no opportunity of setting the 1.4m.-member union against the policy.

Despite this favourable vote for the pay proposals, several delegates from the Right and Left warned that they might have great difficulty in making it stick. This was particularly true of those from British Leyland plants recently hit by a rash of unofficial disputes against the 8 per cent limit.

Speaking for the policy, Mr. Phil Povey, moderate shop steward from Triumph Coventry, warned that a return to free collective bargaining at this stage would be a recipe for catastrophe.

But at the same time he saw problems "building up like a log jam" and felt unable to give any assurances that his members, who were involved in the

Continued on back page

U.K. may join Airbus consortium

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE U.K. is to discuss with the French, West German and Dutch aircraft industries the possibility of a British Government investment in the European Airbus Industrie consortium, which is building the A-300 Airbus.

If this initiative were to fail and it could only succeed if the terms were right—the U.K. has the alternative of collaborating with the U.S., especially Boeing, on the next generation of medium-range civil airliners.

The first approaches to Europe on this Airbus investment topic will be made in London to-day, when Lord Beswick, chairman of the British Aerospace Organising Committee, meets General Jacques Mitterand, president of Aérospatiale, one of the major shareholders in Airbus Industrie.

Further talks will be held in London soon between Lord Beswick and Herr Ludwig Bolkow, president of Messerschmitt-Bölkow-Blohm, and Mr. Gerrit Klappwijk, chairman of VFW-Fokker, both also members of Airbus Industrie.

The idea is that the U.K. at present only in the European A-300 Airbus programme on the basis of a private-venture stake by Hawker Siddeley Aviation, should become an official member of the consortium, working on future derivatives of the A-300, and especially the proposed B-10 medium-range model.

The U.K. will stress that any participation in Airbus Industrie on a Government investment basis would depend entirely on the terms that the existing Airbus Industrie partners laid down.

If these were unacceptable to the U.K., the nationalised aerospace industry would have no option of turning to the American industry, seeking collaboration with them.

The U.S. team showed interest in the idea, and promised to consider it but made no commitments.

What seems to be emerging, therefore, from the flurry of discussions of the past few weeks in Europe is a clear U.K. initiative, aimed at getting a united European effort on derivatives of the Airbus.

If this cannot be achieved, either because of Continental unwillingness or because the terms are not right, the U.K. has the option of turning to the American industry, seeking collaboration with them.

FEATURES

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BSC oil platform group gives jobs warning to 1,300

BY RAY DAFTER, ENERGY CORRESPONDENT

REDPATH Dorman Long (North Sea), one of Britain's major oil platform construction companies and a subsidiary of British Steel Corporation, has given advance notice of redundancy warning to the 1,320 workers at its £14m. yard at Methil, Fife.

The employees were told yesterday that a "substantial" number might lose their jobs in six months' time as a result of the depressed state of the platform-building business.

The warning follows the completion of a platform for Shell-Essso's Brent Field earlier this month and mirrors the situation at Hartlepool, where Laine Offshore has warned 1,300 employees about the prospect of redundancies.

Redpath Dorman Long said in a statement to its workforce yesterday that it had received no follow-on orders for major platforms, although there was work on deck structures and small gas platforms to give work until late autumn.

A sales drive from the yard is continuing, but as with other contractors Redpath is feeling the effect of a hiatus in offshore development. No orders have been placed for major platforms for almost two years and none is expected before the end of the year.

"It is already clear that it will not be possible to achieve continuity of employment for a substantial number of employees," the statement said. The company had informed management and trade union representatives under an agreement which gives six months' notice of any proposed redundancies.

The yard, developed at a cost of £14m., began in 1972. It is looking at new technology for offshore oil production, including the possibility of building a hybrid concrete and steel platform.

With two of Britain's eight yards still awaiting their first orders (Humberston and Portavadie) and with two successful contractors warning of mass redundancies, the Government has looked urgently at ways of stimulating orders.

The famine of orders has been and particularly embarrassing for defined.

Government, which encouraged the building of the concrete platform facilities at Humberston and Portavadie. Loans of £11.5m. were underwritten by the State to build Humberston, while the £14m. capital needed for the Portavadie dock and workers' village was put up by the Government as its first initiative under new powers to control oil-related coastal development.

Hesitations

So far the response to the Government from oil companies has not been encouraging. At least in the short term. Although a number of fields are due to be declared commercial within 12 months, companies are hesitating before placing platform orders.

They are evaluating new methods of extracting oil, such as under sea wellhead systems linked to floating or tethered structures, which might curb escalating production costs. Companies are also anxious to see the Government's policies on State-participation refineries and depletion more clearly

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LOMBARD

£ devaluation euphoria

BY C. GORDON TETHER

THE POOR old £ continues to hit new lows, and now commands little more than three-fifths of the value it did in terms of the other principal currencies as recently as 1971. But he is not dismayed. It would, it seems, be the height of foolishness to be even the least bit concerned about that. On the contrary, the newly fashionable theme is that we are destined to derive such tremendous benefits in all directions from sterling's headlong fall that it would be a bad case of looking a gift horse in the mouth not to want it to go on.

Rarely does a Minister open his mouth these days without speaking excitedly of the great opportunity for expanding foreign markets that the cheapening of the £ has created out of thin air. And it is now being forecast that, as all manner of assets have become obtainable here by foreigners on bargain basement terms, we shall see a great flood of foreign money pouring into the country for investment here.

And what are we going to get out of that? Well, according to that version of this hypothesis enunciated by Mr. Nigel Brookes, chairman of Trafalgar House Investments, at a conference last week-end, "the effect of becoming the cheapest country in the world on investment in Britain will be astonishing."

The cheapest

Moreover, as he went on to explain, this new-found foreign enthusiasm for buying us up should have the most favourable implications for the market prices of property and other securities.

Why, then, should Britain—or any other country for that matter—not adopt a "the bigger the better" attitude to devaluation even when it is apparent, as in our own case, that it is giving its currency the doubtful distinction of being among the cheapest in the world. Is the answer that matter is not really as simple as these glowing presentations of the consequences of the £'s slide would have us believe? Is it perhaps the case that, if you stand back far enough to see the wood for the trees, you will perceive that the benefits of excessive devaluations are highly questionable—or at the very least—likely to be far too dearly bought?

How much sense, to begin with, does it make to eulogise upon a situation wherein your goods are priced so inexpensively that a proportion of them

are effectively being given away? After all, the real purpose of getting involved in international trade—is it not?—is to put the country in a position to pay for what it needs to buy abroad at least cost in terms of the quantity of goods it has to provide in exchange.

Even in relation to the business of achieving external payments health, excessive devaluation of the currency can quite easily be disadvantageous. For it means that a much larger production and marketing effort than would otherwise be necessary has to be mounted to reach a given export target. When account is taken of the other penalties it imposes by adding to money-goods gap and cost-push inflation stresses at home, it is seen to be even less of a blessing in disguise.

Again it is really in the interests of the British people to have a situation wherein investment here comes to look so cheap to foreigners that they are induced to start buying them up on the grand scale—thereby making them more expensive (as in the case of property) to the home side?

Mortgaging

It is the case, after all, that the larger the proportion of the country that is owned abroad, the larger the sum we shall have to find year-by-year to pay tribute to its foreign owners. It may well be that there are circumstances wherein the contribution foreign investment can make to promoting the well-being of the British people is such that it may be worth incurring such obligations—for example, when this provides the only way of securing access to vital knowledge. But there should be no difficulty in seeing that, as a general rule, the less we mortgage ourselves to the outside world the better.

No doubt much of the recent lauding of the advantages to be derived from the £'s huge fall is in the nature of making a virtue out of necessity—the misguided policies the British authorities have followed in the international payments field over the past ten years having rendered the exchange rate almost totally indefensible. But this is a line that can be—and is being—overdone.

A situation wherein the £ is one of the world's cheapest currencies is far from being an unmitigated blessing and the British people should be made fully aware of that.

RACING

Palatable looks like a winner

IF PALATABLE is able to Tom Rolfe colt had five lengths—a distance which could have been doubled—to spare over runner-up Ginger Knight, to whom he was conceding 12 lb. with

GOODWOOD

- 2.00—Spartan
- 2.20—Swinglow Girl
- 3.00—Shore Captain
- 3.30—Palatable
- 4.00—Henry Stuart
- 4.30—Sporty

RIPON

- 2.15—Pass The Port
- 3.15—Take Aim
- 4.45—Prince Murdoch

Move off, in receipt of 19 lb, another half-length away in third place.

Palatable, whose jockey took third place in the 1960 Derby with Kithnos, and who again occupied that position on the

BY DOMINIC WIGAN

Dunlop-trained Mount Athos in 1968, ought to have few problems this afternoon, provided he stays this 11-mile trip, which he is attempting for the first time. I feel confident he will not fall on the score of stamina, and take him to retain his unbeaten record for the season at the expense of Ormeau, Peter Walsby's stable, which took the corresponding event in 1975 with No Alimony.

Two other likely winners for Dunlop's stable, which is only a few miles from this course, are Shore Captain and Henry Stuart who go for the St. Roche's Handicap (3.0) and the Raughmore Stakes (4.0) respectively.

One race I do not expect Dunlop to land the leading event, the 11-mile Handicap (4.30). Here his top weight, Red Lener, will almost certainly find the concession of 27 lb to Sporty beyond him.

SALEROOM

BY MICHAEL THOMPSON-NOEL

London prints make £3,800

THE HIGH spot in the art market yesterday was Christie's sale of English, Old Master and modern prints, which included topographical and sporting prints, caricatures and maps. It amounted to £63,984, with few unsold lots.

The leading price in the morning was £3,800 (plus 10 per cent buyer's commission) paid by Marlborough Rare Books for a copy of Thomas Shotter Boys' London As It Is, with a complete set of 26 coloured lithographs.

A view of the town of Bernes by Johann Jakob Biedermann, a coloured etching of 1805, was bought by Appleby for £2,400, and a group of four views of Mexico by Daniel Thomas Egerton sold to Sablin for £1,200.

Top price in the afternoon was the £1,500 paid by Denneville, the London dealer, for a fine, early impression of a Rembrandt etching, The Small Lion Hunt with One Lion.

Also at Christie's, a sale of paperweights brought in £20,269, with virtually every lot sold.

A fine Baccarat faceted cruciform bouquet weight (3½ inches diameter) with a centre of clematis and narcissus, was sold to Tillman, the London dealer, for £2,000, compared with a pre-sale estimate of £2,200 for a Baccarat pink gentian spray weight and £2,000 for a rare etched convolvulus weight.

Phillips' furniture sale, which included clocks, Eastern carpets and rugs and a collection of tea caddies, totalled £52,060.



charming and rare biscuit porcelain group of two boys, one riding a pig, and £1,100 for a pair of "famille-verte" figures.

For £100, less, he secured a richly decorated "famille-rose" figure of the goddess Kuan Yin and for £800, a pair of "Compagnie-des-Indes" figures of bounds.

Sotheby's sale of modern and antique firearms and edged weapons brought in £41,750 (bought in percentage: 7.5). A private German buyer gave £2,900 for a J. Purdy and Sons 12-bore side-lock self-opening ejector sporting gun and £2,200 for a pair of Silesian flintlock holster pistols, c. 1880.

A pair of flintlock duelling pistols, signed "Wogdon, London," c. 1775, made £1,900.

At Sotheby's Belegria, a sale of Victorian paintings, duelling pistols and watermarks made £21,098, with a tiny bought-in percentage of 3.76.

A German buyer gave £700 for The Village Pond, by Joseph Thors, and an anonymous buyer gave £880 for Daniel Sherin's Coburn, Surrey.

Jewellery sale totalled £16,420 (bought in: 15 per cent), including £3,600 for an antique Portuguese combination brooch and bracelet in 22 ct. gold set with 236 diamonds (probably Lisbon, c. 1850).

King and Chasemore's house sale at Clifton Court, Hampshire, earned £40,765.

Scotland's biggest-ever antiques fair is scheduled for the Albany Hotel, Glasgow, from May 25-27. More than 500 worth of antiques and fine art will be on offer.

GARDENS TO-DAY

Obliging alpine

BY ROBIN LANE FOX

HAS GARDENING become easier or not? Titles like "trouble-free gardening" can be harvested yearly, and manufacturers insist that their chemicals take the backache out of the business. On the other hand, fat books on vegetable gardening are in fashion, spinning out their theme for two hundred pages. Looking back to the great pre-war gardening encyclopaedias, I find that vegetables only occupy a dense thirty pages or so, and there were days when men really did double-dig, ridge and practice long-stemming. If the game had been made easy by those kind garden-sundries men, then surely the art of tending an alpine can be reduced to a brief standard chart?

I write this assuming that you share my rather puritan outlook. My piece of ground for the vegetables, at present thick with annual weeds, is just too small to deserve a syllable of its own. There is no doubt that the cultivator has taken the sweat out of gardening on workable soils and that it is stupid not to own a decent shovel. But I just cannot bring myself to think of setting aside at least £200 over the years in order to own one which does not break down.

So, too, with chemicals: My neighbour, now retired, is an exemplary vegetable gardener, yet has never used a chemical of any kind on his garden during 40 years. He says he does not need them. True, he bought a long run of glass cloches at a sale, and these allow him to give his beans a spectacular early start. But otherwise, he digs deeply in autumn and winter, still uses farm manure and never worries about green surface-weeds for the rest of the year. He picks off caterpillars by hand, a prevention against which they develop no immunity. Whenever I think about buying Ferti-con or Aphitol, I am not only put off by the conjunction of a garden gnome and a stethoscope with which they are advertised, I remain reluctant to eat vegetables which have been sprayed or treated, and see so many sets of deniers who share the same obstinacy. I make an exception for the fruitage where couch-grass and weeds among raspberries are such a nuisance. The compound called Casoron G does dispose of these troubles if used among established soft fruit in April or May. But I must admit that the raspberry

crop, which likes a damp mulch is not noticeably worse in the years when I forget to apply it. Believing that these prejudices are shared by many of you, I respond to columns on alpine plants. Now I happen to like alpine plants more than any other part of gardening. I regret that I was not bolder when replanting two borders recently, for I ought to have given them an alpine flora, largely from seed, rather than the predictable clumps of Day Lilies, Ladies' Mantles, Campanula and silver leaved plants, which have served so easily as herbaceous plants in British gardens over the past century. There are so many bold new shapes and leaf-patterns still unrecognized among the alpine flora, from the common tall yellow Gentian to the prickly thistles, the thistles and many cushion plants.

Now, I began by wondering whether gardening has been easier or not. If chemicals or problems and if books on vegetable garden have been longer and longer, there is a no doubt that the "cultivation of alpine plants peaked in golden years of consumption in Edward Britain. The works of Reginald Farrer, a Yorkshireman, plant hunter from the Dolomites to Tibet, are still revered; many alpine gardeners, and knowledge of wild flowers is indeed remarkable. But I am sure your sagacious (repute) admired in American Far Groups) on the subject of small spring Gentians, a plant about two inches high and all for the beauty of its daisy star-shaped flowers. The soil of your Gentians is a list of one part leaf-moss to two or three times as much of the coarsest Red Felt, and let their bed be on a sunny bank and their soil lightened with chips, and the bed itself being on a firm bottom of rough-drawn drainage; let it copiously watered by ground pipes all through summer... and so on.

Now, I bought several of the Gentians (called Verna) from excellent nursery of Joe Eltham Broadwell, More-in-Mar Gloucestershire, and planted them in a turf soil on a flat piece of ground. For many years they were marvellous sight until I think they flowered themselves death, leaving the seed for next generation. I had a no underground plumbing; have not been to the dunes Red Hill. This Gentian is slightly unpredictable plant. I have little doubt that it grows happily with most of too. Next week, I will enliven other obliging alpine with seeds and difficulties; some to have been easily generated. I would like to think that the next two decades will be the age of the alpine, shake of the herbaceous legacy of a past 100 years. And that I must be the age of the rock or even the rock, as a means of "cultivation."

Sense

If you wish to explore this intriguing ground, I repeat my advice that you should join the Alpine Garden Society (subscription £3 per annum) and enjoy, among much else, the yearly seed list for members which offers quite remarkable seeds to those who survive the belling. The secretary's address is 19, 19a, St. John's, Woking, Surrey. Now, whatever the tastes and problems of these rare plants, I have never known them need any attention from chemicals. No chemical has been marketed for the rock-garden, no need (one suspects) has been identified. They are none the worse for a top-dressing of bonemeal or the like in early Spring, but they require no machinery, no hardware and only a common-sense approach to experiments. Hence, I assume, you and I would meet on common ground in an interest in them, even if you have not realised it as yet. Sales of unusual alpine are reported by the specialists to be thriving, though these past three years, as is the attendance by amateurs at exhibits of alpine flowers in London and Birmingham. The virtues of a small garden are now obvious, given the cost of maintenance, heat and labour. Alpines mostly die of the water glasshouse, and the gardener is suspect of being a denier who share the same obstinacy. I make an exception for the fruitage where couch-grass and weeds among raspberries are such a nuisance. The compound called Casoron G does dispose of these troubles if used among established soft fruit in April or May. But I must admit that the raspberry

Unpredictable

Now, I bought several of the Gentians (called Verna) from excellent nursery of Joe Eltham Broadwell, More-in-Mar Gloucestershire, and planted them in a turf soil on a flat piece of ground. For many years they were marvellous sight until I think they flowered themselves death, leaving the seed for next generation. I had a no underground plumbing; have not been to the dunes Red Hill. This Gentian is slightly unpredictable plant. I have little doubt that it grows happily with most of too. Next week, I will enliven other obliging alpine with seeds and difficulties; some to have been easily generated. I would like to think that the next two decades will be the age of the alpine, shake of the herbaceous legacy of a past 100 years. And that I must be the age of the rock or even the rock, as a means of "cultivation."

TV/Radio

† Indicates programme in black and white.

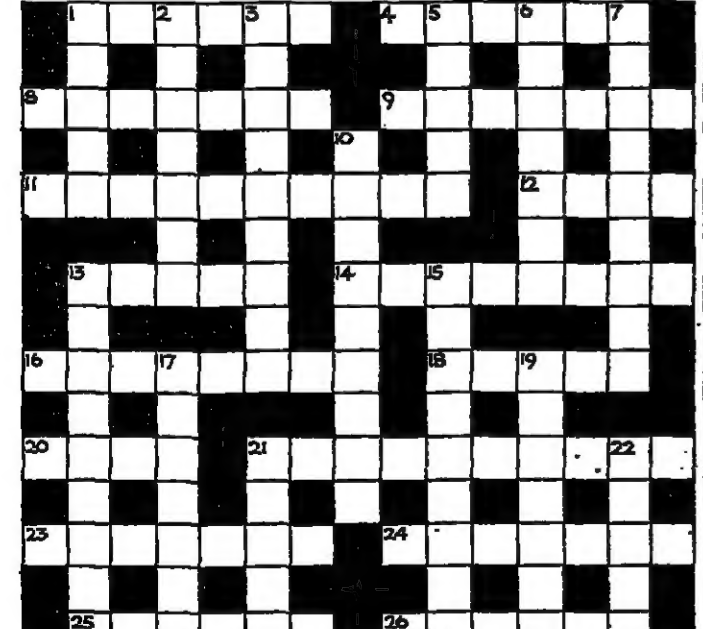
BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.25 For Schools. 10.45 You and Me. 11.00 For Schools. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. 2.01 For Schools. 3.05 Debra and Canu. 3.30 Day and Night, including Crime Line (01-02-03-04). 3.55 Regional News (except London). 4.00 Play School. 4.25 Huckleberry Hound. 4.30 Jackanory. 4.45 Star

Turn. 5.10 Seven Little Australians. 5.40 Paddington. 5.45 News. 6.00 Nationwide. 6.45 The Wednesday Film: "Watch Your Stern," starring Kenneth Connor and Leslie Phillips. 8.10 Survivors. 9.00 News. 9.25 Sportnight. 10.30 Tonight. 11.35-11.57 Weather/Regional News.

All Regions as BBC-1 except at the following times: Wales—5.10-5.30 p.m. Tuktuk.

F.T. CROSSWORD PUZZLE No. 3,083



- ACROSS**
- 1 Things required in deeds (6)
 - 4 Superior woman introduces a sock to Elizabeth (6)
 - 5 Spy laid out on parade (7)
 - 6 Quiet temporary (7)
 - 7 Gracious first person's high quality (2, 8)
 - 12 Wrap up pen (4)
 - 13 Period noted for charm (5)
 - 14 Agency typist delayed according to pattern (8)
 - 16 Sandy Glass keeps one from getting too hard-boiled (3, 5)
 - 18 Steel fashionable bird (5)
 - 20 Check stock (4)
 - 21 Battle dress in which to get one's bearings (4, 2, 4)
 - 23 Announcer helps make a change (7)
 - 24 Wise man has game of cards with Scotsman (7)
 - 25 Subscribe a pound as a token (6)
 - 26 Lines American author adds to essay (6)
- DOWN**
- 1 Flower taken to platform by youth leader (5)
 - 2 Better for one thousand to demonstrate (7)
 - 3 All the tricks a player can get up to (8, 4)
 - 3 Part of band making money (5)
 - 6 Cockney gent's had enough suddenly at rest (7)
 - 7 Lower wearing vest (9)
 - 10 Victor having a flutter (6, 3)
 - 11 Blind is a good deal cheaper (9)
 - 15 Month company mounted game for explorer (5, 4)
 - 17 Delay in passing sentence on prisoner (4-3)
 - 18 Confirm flight with old airline (4)
 - 19 Coach has cleaner article (5)
 - 22 Littlest doctor ought to go to New York (5)

BBC 2

6.40-7.55 a.m. Open University. 10.25 Nat Zindzi Naya Jeevan. 11.00 Play School. 5.00 p.m. Open University. 7.05 I See What You Mean. 7.20 Weather. 7.30 Newsday. 8.00 Gardeners' World. 8.30 The Traditional World of Ireland. 9.00 The Country Game. 9.25 Playhouse. 10.15 Rutland Weekend Television. 10.45 Newsnight. 11.00-11.05 Sandeers' News: "Rain, rain, go to Spain," by Lawrence Durrell.

LONDON

9.20 a.m. Schools Programmes. 10.00 Here Comes Mumfie. 12.10 p.m. Rainbow. 12.30 Three Little Words. 1.00 First Report: News.

RADIO 1

6.00 Stereo music broadcast. 6.30 Radio 2. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 News. 1.30 News. 2.00 News. 2.30 News. 3.00 News. 3.30 News. 4.00 News. 4.30 News. 5.00 News. 5.30 News. 6.00 News. 6.30 News. 7.00 News. 7.30 News. 8.00 News. 8.30 News. 9.00 News. 9.30 News. 10.00 News. 10.30 News. 11.00 News. 11.30 News. 12.00 News. 12.30 News. 1.00 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by MAX LOPPERT

by B. A. YOUNG

y ANTONY THORNCROFT

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by CHRIS DUNKLEY

by CLEMENT CRISP

by DOMINIC GILL

you with British Midland.
more enjoyable way.

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WORLD TRADE NEWS

More U.S.-Japan talks on steel imports likely

BY CHARLES SMITH

JAPAN and the United States will try to reach final agreement on U.S. proposals to restrict steel imports at talks due to start in Washington tomorrow, but there is a chance that a still further round of talks will be needed to settle the issue. The Washington round — the third between the two nations since the U.S. announced its proposals — was originally scheduled to last two days but now seems likely to extend to three or four.

The main issues at the talks will apparently be the percentage share to be allotted to Japan of total U.S. special steel imports under the proposed limits,

and the question of whether or not Japan will demand compensation for the restraints. The special steel imports at stake due to Americans originally proposed to take export performance over the period from 1972-74 as a basis for allocating quotas during the restraint period. This would give Japan 37.1 per cent of the U.S. market. But Japan accounted for a much higher share of U.S. steel imports in 1975 and may demand that this year also should be included in the base for calculating quotas.

Japan will certainly assert its right under Article 19 of GATT to seek compensation for the special steel restraints. But officials in Tokyo declined to say

whether the right would be exercised. The answer to this question will apparently depend on whether Japan gets what it feels is a fair share of total imports under the proposed American quota arrangements.

The U.S.-Japan talks are being closely watched by the EEC and by Sweden, both of which have conducted their own negotiations with Washington on the special steel issue. The outcome of the Japanese talks will determine whether or not Sweden and the EEC return to Washington for further negotiations or accept proposals already made by the U.S. in earlier discussions on the steel issue.

TOKYO, May 18

'45m. cars by 1990' forecast

HANOVER, May 18

WORLD car production should rise to about 45m. units by 1990, compared with the 1975 total of 32.9m. Volkswagen chairman Herr Toni Schmuckler told the annual meeting of the German car club ADAC.

The rise will be the result of growing motorisation in non-industrialised countries as well as a continuing general upturn in business and leisure uses of the car, he said. He estimated German car output should reach between 2.3 and 2.5m. units by 1985, against last year's 2.1m.

Herr Schmuckler called for greater world harmonisation of car construction regulations so that the motor industry could put research and development funds to optimal use. Exhaust, safety and other control laws sometimes differed between the EEC and the U.S., he noted.

VW's research and development spending on exhaust emission control for the U.S. market rose fivefold between 1969 and 1974, and is now nearing an annual DM100m, he said.

Japan urged not to delay talks

BANGKOK, May 18

THAILAND has urged Japan not to delay a vital trade meeting between the two countries, a Thai Board of Trade official said today.

President Ob Vamsat said the Board received a cable from Japan's Federation of Economic Cooperation (Kaidanren) asking that the mid-June meeting be postponed until July because of the Japanese election.

"It is already too late to discuss Thailand's 1976 export targets to Japan and any postponement of the meeting should be avoided," Mr. Ob said.

Mersey trade visit to Japan

THE MERSEYSIDE Chamber of Commerce and Industry is organising a trade mission to Japan towards the end of the year, which will include visits to Tokyo and Osaka.

The Chamber said yesterday that it was arranging the mission, between November 27 and December 11, because it was conscious of the increasing opportunities Japan offered British exporters, particularly for high quality consumer and technical goods.

Moscow, Tokyo sign oil accord

The Soviet Union and Japan signed a trade agreement yesterday designed to implement contracts signed in 1975 on the joint Sakhalin continental shelf oil and gas exploration project. The Foreign Ministry said, AP-DJ reports from Tokyo.

The Ministry said the contract was signed in January 1976, between Japan's Sakhalin Oil Development Co-operation Company and the Ministry of Foreign Trade of the Soviet Union.

Stores guide

A 1,066 page guide for British consumer goods exporters has just been published by Newman Books of London. Called Stores of the World, it lists over 9,000 major department stores and multiple groups in 119 countries, and in many cases includes the names of the buyers of goods, telephone numbers and gives full details of buying agents in Europe and the U.S.

Newman Books, 48 Poland Street, London W1V 4PP E2A.

EEC turns down U.S. proposal

BRUSSELS, May 18

THE EUROPEAN Community has finally rejected U.S. suggestions to limit EEC special steel exports to the U.S. under an orderly marketing agreement, according to a Commission spokesman. The EEC's decision was communicated to Washington last week.

The EEC's final rejection of an orderly marketing agreement that President Gerald Ford has proposed came in a joint meeting of representatives of the nine Community member countries, steel industry officials and the Commission last week.

The spokesman said the rejection of any such agreement was unanimous.

The U.S. International Trade Commission (ITC) initially suggested that the U.S. should impose import quotas for special steels over a five-year period. President Ford, last March, decided to reduce the

quota period to three years but suspended any final decision for 90 days to allow negotiations on an orderly marketing agreement. The major special steel supplier of the U.S. market is Japan. The EEC and Sweden are other important suppliers. The quota the U.S. sought from the EEC was 31,000 tons annually. EEC steel industry sources said.

The Community's decision may influence Japan's attitude on the subject. Sources in Brussels say that while not rejecting an agreement outright, the Japanese told U.S. negotiators they would essentially follow the EEC line on the special steel issue.

Sweden, it is understood, have rejected any agreement outright, but some EEC sources implied that had the Community gone along with the U.S. plans, Sweden, by itself, could not remain outside.

Mr. Ford's special trade nego-

tiations with Japan are expected to start next week. The U.S. is expected to begin handing out \$1bn.-worth of contracts in connection with the extension of its plant at Las Truchas.

U.K. engineering groups have high hopes of collecting orders worth well over \$100m.

Suppliers who have tendered for contracts include two Davy International offshoots, Davy Ashmore and Davy-Loewy, as well as GEC, Head Wrightson, Adamson Butterley, Otto Simon-Carves, Salem Engineering and Strachan and Henshaw.

In London yesterday the formal finishing touches were put to a \$100m. line of credit to finance orders if they are won by British companies.

The credit agreement was arranged by Lazard, Brothers acting on behalf of a consortium of London clearing and Scottish banks and is guaranteed by the Export Credit Guarantee Department.

It represents something of a landmark for Lazard in that this latest agreement brings the total amount of buyer credits the bank has arranged to more than \$1bn. since, together with the ECGD, it first evolved the buyer credit scheme for providing financial support for British exports.

Up to that time the emphasis was on supplier credit arrangements.

Stage one of the Las Truchas project, scheduled for completion later this year, will take capacity to 1.3m. tonnes a year. Stage two is itself in two phases and will increase potential output to 3.65m. tonnes per annum.

The first phase will involve SICARTSA (or, in full,

Siderurgica Lazaro Cardenas Las Truchas) spending the equivalent of \$1bn., with a further \$280m. earmarked for the second phase.

Principal competition for the U.K. engineers is coming from Japan and Italy. Italian firms seem to be the favourite to collect the blast furnace contract as long as the Mexicans are not too disturbed by the Italian political situation.

In the U.K., Davy International looks a likely candidate for a major order because Davy Ashmore has tendered for the contract for the steel production facilities at Las Truchas, while Davy-Loewy has put in a bid for the steel processing (hot and cold mill) plant.

In both cases the Davy companies are acting in partnership with West German companies, having been steered in that direction by the customer. Davy Ashmore is in partnership with Demag and Davy-Loewy with Schleiermann-Siemag.

Davy has been a supplier to the Mexican steel industry since it won its first order 25 years ago and supplied the rod mill for stage one of the SICARTSA plant.

Two years ago the group also won a \$40m. contract to take responsibility for the design, supply and construction of steel works for Altos Hornos of Mexico, a project currently being completed on time. A major part of the cash involved "spun off" to U.K. suppliers like Whessoe, Redpath Dorman Long (the British Steel subsidiary) Head, Wightson and GEC, among others.

A Davy success in respect of Las Truchas would produce a similar "spin off" of orders, although some of its regular suppliers have put in tenders on their own account.

Funds provided under the line of credit agreement yesterday will involve repayment over 10 years with the first instalment due on June 30, 1980, six months after this stage of the project has been commissioned. The interest rate will be flexible and agreed as individual orders come through but will probably be in the region of 7 to 7½ per cent.

British mission to Greece

BY OUR OWN CORRESPONDENT

FOURTEEN British companies offering a variety of products and services are taking part in a trade mission to Greece from May 23 to June 2 organised by the London Chamber of Commerce.

The mission will be headed by Mr. E. J. Cooper, marketing director of Muir-Hill, makers of tractors. He has made several visits to Greece, two on previous missions involving the London Chamber of Commerce.

Companies represented on the mission manufacture construction and earthmoving equipment, quarry plant equipment, plastic containers, control systems, mechanical and hydraulic grabs and bulk handling equipment, waste water treatment equipment, agricultural and industrial tractors,

oil, marine and water treatment and safety equipment, and cosmetics. They also represent a port finance, merchant banking, and building and environmental engineering consultancy.

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The mission will be headed by Mr. E. J. Cooper, marketing director of Muir-Hill, makers of tractors. He has made several visits to Greece, two on previous missions involving the London Chamber of Commerce.

Companies represented on the mission manufacture construction and earthmoving equipment, quarry plant equipment, plastic containers, control systems, mechanical and hydraulic grabs and bulk handling equipment, waste water treatment equipment, agricultural and industrial tractors,

AMERICAN NEWS

Concorde effect is not so shattering

By David Bell

WASHINGTON, May 18. MRS. DORIS Heath, who lives near Andrews Air Force Base outside Washington, invited a friend round yesterday to watch her windows shatter as President Giscard d'Estaing's Concorde came in to land.

But she said that after the aircraft had landed she was disappointed. Not only did her windows stay intact but she confided to reporters that Concorde "is not nearly as noisy as President Ford's plane. I would like to know why so many people are upset."

Her comments were echoed by many of the people who live in the shadow of the air base which is used as the headquarters for the Presidential Boeing 707. One man who said he saw the aircraft before he heard it said: "It's a beautiful plane. The President's plane shakes the windows much more than this."

President Ford ought to get one.

One lady even waxed a little lyrical about the aircraft, saying that it was quieter than any of the other aircraft using the base. "I would rather live in a field of Concordes any day of the week than near Andrews," she said. "I think it is a shame that they upset us people with the adverse publicity. The Concorde did not make that much noise. I think we owe the French an apology."

The Washington Post, which quoted these and other reactions this morning, had great difficulty in finding a single hostile comment about Concorde. Hundreds of people who gathered in the streets to watch it come in low overhead. The Anglo-French aircraft is scheduled to make its inaugural flight to Washington's Dulles Airport next week, but a law which would prevent landings at either Dulles or Kennedy Airport in New York is making its way through the courts. Earlier this year, Mr. William Coleman, the Transportation Secretary, gave the aircraft a 16-month stay order.

Neither the aircraft's friends nor its enemies monitored the noise level yesterday, but a local health official did and reported that his noise meter—set up a mile from the runway—showed that it made 10 db. more noise than Boeing 747s, which land at Andrews.

This did not seem to worry any of the people watching Concorde. One man had driven for six hours from a town in New York State to see it land and pressed himself well pleased with what he had seen. "No, if only I can get a ride on it," he said.

All is not entirely sweetness and light, however. The council at Fairfax, Virginia, in whose jurisdiction Dulles Airport lies, was last night to hang three lanterns from its county office building to warn residents of the dangers of Concorde and to show that "the British are coming." Two hundred years ago, American revolutionaries used a system of lanterns to warn of approaching British forces. The code was: one if by land, two if by sea. The county council decided that it should naturally be three if by air.

Payments to shipbuilders attacked

By David Bell

WASHINGTON, May 18. SENATOR WILLIAM PROxmire, a long-time scourge of the Pentagon, today sharply criticised the Defence Department for agreeing to pay shipbuilders claims against the Navy rather than changed letters yesterday designed to implement contracts signed in 1975 on the joint Sakhalin continental shelf oil and gas exploration project. The Foreign Ministry said, AP-DJ reports from Tokyo.

The Ministry said the contract was signed in January 1976, between Japan's Sakhalin Oil Development Co-operation Company and the Ministry of Foreign Trade of the Soviet Union.

He said the decision which could involve as much as \$1.4bn. worth of claims, would leave the Navy open for major shipbuilding companies to collect "hundreds of millions of dollars," partly on the basis of "vague estimates, phoney assertions and inflated figures."

Pentagon's decision to settle the claims follows pressure from some congressional leaders who have urged the Navy Department to give the companies the compensation they want. Sen. John Stennis, chairman of the Armed Services Committee, for instance, has been pressing the Navy to meet a \$504m. claim from Litton Industries shipbuilding division which is based in his home state of Mississippi.

Sen. Proxmire attacked the timing of some of the requests that the Navy should settle immediately and criticised the fact that the Navy has already provisionally paid Litton \$20m. This payment, he told the Senate, had been based on "an incomplete analysis of partial information."

The shipbuilding subsidiary of Tenneco is claiming \$221m. worth of extra costs involved in the building of the aircraft carriers, Nimitz and Eisenhower. According to Sen. Proxmire, the day after this claim was filed the company wrote to the Navy threatening to stop "work" or other shipbuilding "progress" was made towards the settlement of its claims.

The Senator also gave other instances in which, in his opinion, companies had sought large compensation payments without supplying sufficient information to back them up. The Navy was looking for more solid evidence to back up their claims. The Senator also gave other instances in which, in his opinion, companies had sought large compensation payments without supplying sufficient information to back them up. The Navy was looking for more solid evidence to back up their claims.

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New boy at the Big Board

BY STEWART FLEMING AND JAY PALMER IN NEW YORK

ON THURSDAY of this week, Mr. William Batten, a 68-year-old former head of one of America's largest retail store chains, stepped down for the first time as chairman of the New York Stock Exchange.

Even before he officially takes up the post, Mr. Batten has given clear evidence that there will be some sharp changes of policy from those adopted by his younger predecessor, the 49-year-old Mr. James Needham, who was the first full time chairman of the NYSE in 1968.

In his first speech as chairman, Mr. Batten said he would make some of the diehard members of the NYSE wonder about having supported his appointment. That many of them did was shown by news that a conservative group of members had dropped a proposal which would have given the securities industry directors a majority over outsiders on the NYSE Board.

In his speech, Mr. Batten openly acknowledged the urgent need to embrace and support the trend towards increased competition, not only between the various U.S. securities markets, but also within the NYSE itself. His message to members who have not yet accepted the need for change was clear: the Big Board cannot expect to retain its 188-year-old dominance of the U.S. securities markets by relying on tradition and rules which amount to restrictive practices.

That he intends to be as good as his word became evident last week, at a board meeting—the last one in which Mr. Needham took the chair. The Board approved a plan backed by Mr. Batten deliberately to recreate competition between specialists on the floor of the exchange. Specialists are the rough equivalent of the jobbers of the London Stock Exchange, although they have a less predominant position than their London equivalents. Their responsibility is to ensure that markets are orderly and liquid enough to permit normal trading.

Much of the discussions of why Mr. Needham was ousted three weeks ago has concentrated on the alleged failure of certain key strategies which he pursued. Insufficient attention has been paid to why the NYSE believed it needs a man like Mr. Batten to see it through the next two or three years of critical developments in the securities industry, in particular the accelerating move towards a central market for securities dealing.

As a former commissioner with the industry's regulatory agency, the Securities and Exchange Commission, and an accountant, Mr. Needham may well have been a good choice as a chairman whose main job was to see the Stock Exchange through a period of adjustment to a new era coupled with the introduction of tougher self regulation, and new computerised administrative systems.

It is now being suggested, however, that whatever his virtues in this direction because of his aggressive and single minded approach, he surrounded himself with a group of advisers who needed to when it came under pressure from the SEC and Congress to make fundamental and far reaching changes in the development of its trading methods.

The stock exchange's standardised fixed commission rate



Resigned NYSE chairman Mr. James Needham (left) with his successor, Mr. William Batten.

structure in favour of negotiated commissions under the 1975 Securities Act. Some SEC members argue that the impact of this change, which has reduced commissions in lower commissions being charged to institutional clients, is now masked by the upturn of share prices, but will have its effect in broker involvements when the next bear market comes.

The SEC also succeeded in establishing the principle that one of the NYSE rules, which made it especially difficult for members to deal on competing exchanges, had to be modified and eventually eliminated. The importance of this change in the famous (or notorious) Rule 394 needs to be understood from two points of view.

There are in the U.S. several stock exchanges which compete with each other. The NYSE is

One way to preserve the NYSE's predominance to ensure that the services it offers to both institutional investors and the U.S. corporations it is competitive with those of its rivals.

the dominant one with well over half the business and most of the major U.S. corporations are quoted on the Big Board. Its rivals include the regional markets in the Mid-west and on the West Coast, the American Stock Exchange, and the "over-the-counter" market (the so-called "third" market) run by the National Association of Securities Dealers.

Broker-dealers who are members of the NYSE also have membership of the smaller rival markets, and shares listed on the Big Board are in some cases traded on some of the other exchanges. So the easing of the rules requiring NYSE members generally to deal on the NYSE trading floor can be expected very quickly to lead to an increase in the opportunities for rivals to expand their business at the expense of the NYSE—unless, that is, the Big Board can combat the trend by making itself more attractive.

The other aspect of Rule 394 which needs to be kept in mind is that it was a barrier to the creation of a single centralised and computerised national stock exchange. Not only has the

barrier been partly removed through the 1975 Securities Act, Congress and the SEC have clearly established the principle that the securities industry should move rapidly towards the creation of a central stock market. Despite on how one reads the waning of the act, the change or be completed as early as 1980, it is practical to do so quickly, which many doubt.

With such rapid change on horizon, the idea that Mr. Batten is an older statesman chosen to ensure stability is not convincing. The argument that he is a carefully selected successor to Mr. Needham could cope with the transition they now face. The hope is that he will prove a

negotiator and diplomat able to reconcile both the internal conflicts and tensions which exist, and also exact the best terms the exchange can command in its dealings with Government and its agents. The hope is that his parties skills in marketing, learnt in his intensely competitive U.S. retail market while building up J. C. Penney Company, will enable Mr. Batten and the NYSE evolve a strategy to preserve its pre-eminence by ensuring that the Big Board is at the centre of any central stock market which emerges.

One way in which it might be done is by ensuring that the services the exchange offers to institutional investors and U.S. corporations are as competitive with those of rivals, and that the move towards recreating competition among the exchanges will not be in that direction. It must be admitted, however, that after two years, Mr. Batten and his colleagues do not have a great deal of time in which to meet the threat posed by the creation of a single centralised and computerised national stock exchange. Not only has the

allowed to continue them. There have also been rumours that the move which foreign banks have objected to, and which O'Brien recently singled out for criticism, is a discriminatory measure against foreign banks.

Thus foreign banks will have to place a surety deposit, the extent of their deposit base and not to their total deposit liability. However, they will not be able to join the Federal Deposit Insurance Corporation (FDIC).

As it stands, the Bill allows "grandfathering" of the affiliates of foreign U.S. commercial banks which have been dealing in official securities activities foreign banks will now be subject to the same restrictions as those that were engaged in business on December 3. These banks would be able to continue securities under operations for ten years.

Other provisions of the Bill include restrictions which require U.S. affiliates of foreign banks must have under 50 per cent of their boards of directors of foreign nationality. The Bill has proposed that more than one-third of the members of the Board of Directors should be U.S. citizens. The Bill also provides the regulation of foreign banks should be by the Federal Reserve Board which will be able to impose reserve requirements a general regulatory framework.

The size of foreign covered by the Bill's provisions has been raised from \$500-\$1bn. but it appears that no practical effect at all because all the banks operating in the U.S. who would have assets over \$1bn.

Robert Lindley, Ford is cushioning the effect of the closure by putting forward paid three-week holidays for all personnel and by giving all staff bonuses equivalent to about 100 hours work. The subsidiary has on hand about \$8,000 unsold vehicles, more than two months production for the plant in good times.

Uruguay deaths

A mutilated body found floating in the River Plate estuary yesterday brought to nine the number of bodies found in similar circumstances on the Uruguay coast in less than a month, Reuters reports from Montevideo.

Bribes legislation

Securities and Exchange Commissioner Roderick Hills has said that the SEC needs legislation to correct deficiencies in corporate accounting systems to overcome the problems of illegal foreign payments. Mr. Hills told the Senate Banking Committee that specific legislation required would establish internal corporate controls to reasonably assure the proper identification of financial transactions.

Ford closes plant

The most serious sign to date of the recession caused by the economic programme of the new Argentine Government has been Ford's decision to close for five weeks its General Pacheco plant just outside Buenos Aires, prices

are now optimistic that it will progress without further amendments.

Key amendments which have now been approved by the subcommittee will limit operations of foreign banks to one state unless changes in domestic bank regulations in the future allow U.S. banks to engage in interstate branch banking.

The Bill as it now stands does, however, include provisions for what is called "grandfathering"—this amounts to protection for foreign banks who already have interstate branches. Such banks with existing interstate operations on May 1, 1976, will be allowed to continue them.

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OVERSEAS NEWS

Pressure grows to unseat Miki

By Charles Smith

TOKYO, May 18. MOVES to unseat Mr. Takeo Miki as Prime Minister of Japan appeared to be gaining ground today, although the man who is probably the key figure in the power struggle inside the Government, the Deputy Prime Minister Mr. Takeo Fukuda, is still refusing to come out openly against Mr. Miki.

Mr. Fukuda had a meeting today with Mr. Miki at which he apparently once more reassured the Prime Minister that he would co-operate "for the time being" with the present Cabinet. This phrase, however, could refer only to the duration of the present Diet session which ends next Monday. Once the Diet adjourns, the anti-Miki campaign, which up to now has taken the form of tete-a-tete meetings between various politicians, could take on the proportions of a full-scale campaign by the leading factions of the ruling Liberal Democratic Party.

Enthusiasm

Mr. Miki's offence, though not openly stated, appears to have been that he has displayed excessive enthusiasm in seeking to unearth the facts of the Lockheed bribery affair, thus threatening to undermine unity within the ruling party. Public opinion undoubtedly sides with the Prime Minister, so far as it is concerned about the outcome of the struggle at all. But Mr. Miki's plight has not aroused any strong expressions of sympathy and seems unlikely to do so.

His principal attacker is the vice-president of the LDP, Mr. Eisaku Sato, an "elder statesman" of the party who was responsible for the original choice of Mr. Miki as a compromise candidate for the premiership after a split in the party in November, 1974.

Mr. Sato has not publicly stated his views since pressures began to build up against the Prime Minister. 10 days ago, but has allowed it to be known indirectly that he feels Mr. Miki is incapable of restoring unity in the LDP and leading the party successfully through the next elections—due before the end of this year.

Two major party factions, those headed by former Prime Minister Kakuei Tanaka and by the present Finance Minister Mr. Masayoshi Ohira, have come out openly against Mr. Miki in the past five days. Mr. Ohira, however, has given no hint that he plans to follow up his faction's decision by resigning from the Finance Ministry.

The irony of the situation surrounding Mr. Miki is that, on present indications, there seems to be very little chance of major or spectacular revelations, resulting from inquiries in to the Lockheed affair. The odds appear to be that a number of second-rank LDP politicians will be summoned for questioning by the national tax agency or by the police sometime after the Diet adjourns next week. But no really big names are expected to be involved and it appears extremely unlikely that anyone will be charged with bribery.

Extension

Those summoned will be questioned for suspected tax evasion, or for breaches of the law controlling political funds contributions, but may not yet be formally charged with offences.

The controversy surrounding Mr. Miki thus concerns, not the possibility that some important heads may fall as a result of the Lockheed investigations, but the allegation that the Prime Minister has been trying to make capital out of his own acknowledged weakness and the doubts surrounding the involvement of other senior politicians.

The row over Mr. Miki's leadership makes it unlikely that the various factions within the ruling party will agree to an extension of the current Diet session beyond next Monday although an extension is, in fact, urgently required in order to allow time for the passage of vital legislation which has been delayed by bickering over the Lockheed affair.

Call to cancel RTZ uranium deal

By Quentin Peel

IF BRITISH Government could renegotiate or cancel existing contract for supplies of uranium to be mined in Namibia (South-West Africa) by a Tinto-Zinc, according to a report published today.

The renewed call is made by a group of scientists in a study of the proposed uranium mine which claims that the mine's operations will be a threat to the health of the local population and that the mine's operations will be a threat to the health of the local population and that the mine's operations will be a threat to the health of the local population.

Egypt to take tough line in to-day's talks with Syria

By Richard Johns

CAIRO, May 18.

EGYPT intends to take a tough stance in the reconciliation talks with Syria beginning in Riyadh today and is determined not to let its second disengagement agreement in Sinai be called to seriously into question.

Given what appears to be an equal Syrian insistence that last September's pact with Israel is the essential issue at stake and the original source in the deterioration in relations, senior Egyptian officials are making no predictions about a successful outcome to the meeting convened as a result of mediation by Saudi Arabia and Kuwait. Here it is not considered by any means a foregone conclusion that the ground will be laid for a quadripartite summit as soon as June 10, the date planned by Saudi Arabia.

Mr. Mamdouh Salem, Egypt's premier, will be accompanied by Mr. Ismail Fahmy, the foreign minister, whose relations with Mr. Abdel Halim Khaddam, his Syrian opposite number, are

notoriously bad. Mr. Fahmy has already stated publicly that the Riyadh Sinai accord could not be discussed while Mr. Khaddam has declared that this is the issue to be resolved.

Almost relishing Syria's discomfort in the Lebanon, Egypt feels itself to be in a strong position. Yet, aware of Egypt's own isolation because of the second disengagement agreement, a source close to the president acknowledged that there would be a "tight balance" in the Riyadh talks.

It is expected that Saudi Arabia and Kuwait will try to use their power as petrodollar donors to cajole the two confrontations states into resolving their differences. That is no small consideration for Egypt which is desperately dependent on the Gulf oil producers' charity if it is to survive economically this year.

Here the assumption also is that Syria's primary concern will be an end to the propaganda war with Egypt in advance of the end-May expiry of the U.N. disengagement Observer Force's mandate. Damascus has little choice but to agree quietly to its renewal.

It is understood that Mr. Salem will take the offensive by concentrating on the estrangement between Syria and the mainstream of the Palestinian movement. The policy is to cause President Hafez Assad's regime maximum embarrassment on this score.

AP-DJ reports from Beirut: Saudi Arabia has offered to take the place of Iraq as supplier of crude oil to Syria, the well informed Middle East Economic Survey reported today. This is seen as at least a partial explanation of how Saudi Arabia was able to persuade Syria to attend reconciliation talks with Egypt.

Syria's petroleum industry faced a crisis when Iraq stopped pumping oil through Syria to Lebanon in early April.

Several clashes in the narrow streets of the old city. Other demonstrators blocked the road from here to Ramallah with barricades of stones and bricks and set fire to a police car. Israeli military authorities imposed a total curfew at dawn today in the West Bank towns of Ramallah and nearby El Bireh to prevent clashes between soldiers and demonstrators.

Most of Nablus, and the refugee camps at Balata and Jenin, are still under curfew since yesterday following two days of bloody clashes in the occupied West Bank.

East Jerusalem threw stones at Israeli police and there were several clashes in the narrow streets of the old city.

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Thailand wants to review its relations with Malaysia, because it fears

FRIENDSHIP between Thailand and Malaysia—exemplary and long taken for granted by both countries—will undergo some serious reassessment when Thai Premier Seni Pramoj makes his first overseas visit to Kuala Lumpur next month.

His Foreign Minister, Pichai Ratanakul, who precedes him to Kuala Lumpur next week is expected to tell the Malaysians that their 500-strong paramilitary police unit based in Betong in South Thailand must leave, and that after 12 years their border agreement is in need of review.

Malaysian authorities have been dreading this prospect since the end of the Vietnam war: the border agreement is vital to Malaysian security. Not only does it give Malaysian troops the right to enter Thailand in "hot pursuit" of Communist guerrillas, but for intelligence gathering, and for the morale of the Malaysian troops to the morale of the guerrillas do not have a permanent sanctuary that is beyond their reach.

The spark that led to Thai demands for changes in the status of the border agreement was ostensibly the anti-Malaysian demonstrations in Betong early this month, after Malaysian jets had made strikes inside Thai territory in the course of a massive hunt for the guerrillas.

The Malaysian Government is convinced that the demonstrations were instigated and led by the Communists under cover of the so-called "Protection of Thai Sovereignty Group." But the Thais have in any case been wanting to review the agreement for quite some time, as they see it working mainly to the benefit of the Malaysians. It is an agreement to fight the Communists only. The Thais want it to include a crackdown on Thai Muslim separatists as well.

Malaysia, being a staunch Muslim country, is not prepared to consider that. Here is the crux of the border problem.

The border twists and turns for 500 miles through hostile jungles and mountains. Some stretches are still undefined; it has long been neglected by both

More trouble at the border

By Wong Sulong, in Kuala Lumpur

countries—so much so that a great part of the surrounding area is now a no-man's-land. Apart from the Communists and the separatists, banditry, kidnapping and smuggling are rampant: the last activity having greatly enriched provincial authorities on both sides.

In 1960, when Malaysia (then Malaya) declared an end to the then 12-year-old emergency, the Communists under Chin Peng had suffered such a rout at the hands of the British-led forces that only some 300 of them made it to the Thai border. But the Communists have learned their lessons. They have built themselves up again into a force of more than 2,500 armed guerrillas. Advance units have been sent back to revive old supply networks inside peninsula Malaysia to prepare for another "war of liberation."

The Malaysian strategy is to keep the guerrillas constantly on the run so that they cannot establish any permanent bases. In the operation, which set off the Betong demonstrations early this month, Malaysian forces captured two large jungle camps, one capable of accommodating more than 400 guerrillas. It is the border agreement which helps Malaysian troops keep the guerrillas on the run.

However, since the fall of the Thai military regime, and in the ensuing political instability, Malaysian leaders have been finding it difficult to establish a live and let live attitude towards the Communists.



The Thais themselves have a lingering suspicion of Malaysian intentions towards the Thai Muslim separatists, despite frequent assurances from Kuala Lumpur that it considers the separatists as an internal Thai problem.

Thai authorities say that some radical Malay groups, especially in Kelantan State on the border, are harbouring leaders of the Pattani National Liberation Front, which is trying to form a separate state out of the five semi-autonomous Thai provinces. For good measure, the right-wing Chart Thai party, now a coalition partner in the Bangkok Government, made the recovery of former Thai territory into one of its election pledges. It displayed a giant map during the election campaign, showing the four northern Malaysian states, ceded to Britain in 1909, as part of Thailand.

Malaysia sees the answer to the Muslim separatist movement as a more responsive and constructive approach on the part of Bangkok to the racial and economic needs of the southern provinces, instead of treating them as places of exile for disgraced or corrupt officials.

There is the danger that both the security of Thailand and Malaysia will be threatened if the Malaysian Communists and the separatists contract a marriage of convenience. Such an alliance is not inconceivable since the Communists have been assiduously wooing the Muslims on both sides of the border for many years, and are reported to be succeeding in the attempt.

The Communists have formed an Islamic Solidarity Party to propagate the co-existence of Communism and Islam among the villagers, and during the last Ramadan they had a big feast on the Thai side, which was attended by more than 4,000 Muslims.

It is also a conceivable prospect that the Muslim separatists, after failing to get support from the Malaysian Government, might turn to a third country, possibly in the Middle East or Indo-China for aid. Such third nation interference would undoubtedly pose a grave security threat to the Malay-Thai peninsula.

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EUROPEAN NEWS

Communist candidate runs for President in Portugal

BY PAUL ELLMAN

LISBON, May 18.

A LEADING figure on the Portuguese Communist Party's central committee, Sen. Octavio Pato, was today named as the party's official candidate for next month's Presidential elections.

The choice caused considerable surprise in political circles here, where it was interpreted as a move by the Communists to present a fresh reminder of their strong electoral support. In legislative elections on April 25, the Communists improved their position, taking 14.5 per cent of the vote and winning 40 of the 262 seats in the National Assembly. Since then, the party has successfully called on the Socialists, the biggest single group with 106 deputies, to form a coalition "Government of the Left".

At an introductory Press conference today, Sen. Pato warned that failure by the next President to include Communists in the Government he selects to replace the current caretaker cabinet "would mean that the President does not take account of the re-

sult of the elections." Throughout, Sen. Pato adopted a relaxed, almost bantering tone with his questioners, raising his voice only to warn that the Communist Party would defend the "gains" of the revolution and that any "capitalist recuperation" would bring increased political and social tension in their wake.

Fellow members of the central committee laughed nervously when Sen. Pato was asked if his choice as Presidential candidate meant he would also succeed Dr. Alvaro Cunhal as the party's general secretary. With Dr. Cunhal sitting next to him, Sen. Pato affirmed that the central committee had no plans to change the leadership.

Nevertheless, Sen. Pato's name has long figured, along with that of Sen. Apolinário, as a possible successor to Dr. Cunhal, should the Portuguese Communist Party ever decide to move away from its present attachment to hardline Stalinism towards the "gentler" style

favoured by its Italian counterpart.

Sen. Pato gave no indication of a more flexible line to-day, saying the far Left, which has come out in favour of Major Otelo Saraiva de Carvalho for the presidency, as "divisive" and "lacking working class support."

He said he would rather not comment on the other two military candidates, General António Ramalho Eanes, the Army Chief of Staff, and Admiral Pinheiro de Azevedo, the present Prime Minister. He commented, however, that if the only credential was the time spent in opposition to the old dictatorship, "then the Communist candidate would already be elected."

Sen. Pato, who joined the Communist Party at the age of 16, was captured and tortured by the old Salazarist secret police, the PIDE, in 1961 before being jailed for 81 years. Now aged 51, he became a full member of the central committee in 1962 and was for long responsible for the party newspaper Avante.

EEC-Arab dialogue reopens

By David Curry

LUXEMBOURG, May 18.

ARAB COUNTRIES today urged the EEC to "firmly oppose Israeli occupation of Arab territories and to recognise the Palestine Liberation Organisation." The call, which had been widely expected, took up a substantial part of the speech of Mr. Mahmoud Riad, secretary-general of the Arab League, who outlined the Arab position at the opening of the new round in the EEC-Arab dialogue which opened here at ambassadorial level.

It is thought that the Community will reply to the Arab appeal in some form tomorrow. The Community's own position is limited to respect for the UN resolutions on Israel's withdrawal from occupied territories, recognition of the right of Middle East states to secure frontiers and recognition of "the right of the Palestinian people to the expression of its national identity." This steps short of endorsing the idea of a Palestinian state as such.

M. Jean Wagner, Luxembourg co-chairman of the general commission which is the sub-ministerial governing council for the dialogue, held out the prospect of a full ministerial meeting if the present round of discussions were productive.

A ministerial meeting would raise the question again of how the two sides are to be represented, and the Arabs could demand a meeting at which the delegations wear national labels and the Arab side includes an officially-acknowledged PLO delegation. The current talks are taking place between two anonymous delegations representing the Arab League and the EEC, with PLO representatives buried in the body of the Arab delegation.

Although the political statements were predictable, they were the first direct exchanges of political viewpoints between the two sides. Previous EEC declarations on the Middle East have been in "neutral" surroundings such as the UN.

Training proposals approved

By Robin Reeves

BRUSSELS, May 18.

A RECOMMENDATION to EEC member Governments to improve opportunities for vocational training of young people was provisionally approved by the Common Market's Standing Committee on Employment today.

The Brussels Commission's researches have revealed that only between one-third and a half of young people in Community countries receive further training after leaving school and this makes them more vulnerable than most to cyclical unemployment.

Youth unemployment (under 25 years of age) in the Community has been increasing ever since 1970 and between the onset of the recession in 1973 and the end of 1975 it more than doubled to 1.55m. out of a total unemployed in the EEC of some 5m. Moreover, between now and 1980, the labour supply is expected to increase by 2m. young people owing to high birth rates in the 1950s and 1960s.

The draft recommendation urges Community Governments to use all existing and potential education and training facilities to prepare young people for employment opportunities.

Young people threatened by unemployment should be given leave of absence in order to attend training courses.

Priority should be given to those who leave school at the minimum age possible and whose level of educational achievement is below average. The recommendation also calls on member states to close gaps which sometimes exist between the minimum school-leaving age and the age at which young people can take up apprenticeships.

First EEC phone book

By Paul Betts

BEWILDERING statistics accompany the first ever Common Market Telephone Directory just published with Commission backing at a cost of 60 Euros per volume—or in the vernacular £36. Due to the fluctuating pound, the price in this country has now been reduced to £28.

The directory—an undertaking costing some £50m. (letters of credit having been provided by major banks including Barclays International)—consists of 1,088 pages, lists 95,801 importing and exporting companies, and is published in five languages (English, French, Italian, German and Dutch). The first edition took 13m. hours to compile.

The tome compiled in Paris is understood to be the first trade directory covering Western Europe, and is designed, in the words of its promoters, to fill the large communications gap that previously existed within the Nine.

ITALY

Communists fire first shots

BY TONY ROBINSON IN ROME

THE earthquake which devastated Friuli has kept preparations for a week. But the time, since the dissolution of parliament has been a period of frantic activity for all the parties engaged in the task of composing lists of candidates and their political programmes. As usual the Communist Party has demonstrated its organisational strength by being the first to complete its lists and issue an electoral programme. It reads rather like the programme of a reforming Social Democrat party with the prospect of a five-year parliamentary term in government ahead of it.

The Christian Democrat party on the other hand, which has governed Italy as the major partner in various kinds of coalitions for 28 years, has found itself embroiled in the infinitely complex task of satisfying the conflicting demands of its various internal factions for representation on the lists as well as trying to make space for new faces, such as the deputy chairman of Fiat, Sig. Umberto Agnelli.

Under these conditions it is perhaps inevitable that the opening shots in the election campaign have come from the Communist Party whose secretary, Sig. Enrico Berlinguer, has put forward the proposal for the creation, after the elections, of an all-party coalition government of emergency charged with the task of guiding Italy out of the crisis in which it finds itself.

Such a government, which in the Communist scheme would embrace members of all countries, would be a coalition of the Communist Party with the Socialists, the Christian Democrats, the Liberals and the Communists, excepting only the neo-fascist MSI, would be an up-to-date version of the so-called Comitato di Liberazione Nazionale (CLN) coalition governments which governed Italy in the immediate post-war period.

This proposal to a certain extent puts the original "historic compromise" formula of a proposed alliance between Catholic, Socialist and Communist forces into cold storage, ideally to be resurrected once the national emergency is deemed to be over at some time in the indeterminate future.

Neither the Christian Democrat Party nor the other anti-Communist parties like the Liberals and the Social Democrats have been anxious by the PCI's proposal. The official Christian Democrat reaction, expressed in a front page article in the party newspaper Il Popolo is that the PCI's proposal is "an attempt to take ideology out of the debate between the parties" and an attempt to destroy any half-way house coalition which emerges after the elections.

At this stage such considerations are merely theoretical but they do illustrate the point that general elections in Italy do not return governments—they give votes to parties and, through the preference system, to individual politicians. The eventual form of government which emerges after elections depends on the relative balance of forces which emerges on and negotiations between the party leaders themselves.

It would be a very wise—or foolish—man who attempted to predict the outcome of the forthcoming general election. But there are good grounds for believing that the eventual outcome will be closer to the relative position of the parties at the regional elections of June 1975 than at the previous general election of May 1972. This might still

consultation about major issues of government policy.

In this way, so the argument goes, would the Communist Party be able to demonstrate in time its ability to make a constructive contribution to Italian democracy and eventually earn its right to inclusion perhaps in some future government should the electorate wish for that.

But what if the electorate expresses itself clearly in favour of the PCI at these elections? Well, in that case, the CD says, it will bow to the electorate's wishes and move into opposition and pave the way for a "Left wing alternative" government of Communists, Socialists and other Left wing parties.

That is the Communist Party's view of what would like to avoid if at all possible in view of what happened to Sr. Salvador

leave the Christian Democrat Party as the largest single party.

As happened last June when it party picked up 35.3 per cent of the votes against 38.4 for the PCI. But it would still result in a considerable turnover of seats towards the left wing parties.

The distribution of seats in the lower house after the 1972 election gave 305 to the Christian Democrats, 179 to the Communists, 61 to the Socialists, 55 to the MSI, 30 to the Social Democrats, 15 to the Republicans and 20 to the Liberals plus 4 to the German speakers of the South Tyrol. But at those elections the gap between the Christian Democrats with 38.8 per cent, and the Communists with 35.3 per cent, was 3.5 per cent, compared with the 2.5 per cent in June. Thus an election result which left things basically un-

whether the party will attract so high a percentage this time.

The scandals, corruption, internal rivalries, and sheer inefficiency demonstrated by the CD party in particular over the intervening period since 1972 would tend to make a crushing CD defeat an odds on chance. It was not for the fact that the principal alternative to the CD party is the Communist Party. The CD Party's best chance lies in the prospect that when the chips are down the fear of change will be judged greater than the risks of carrying on with the devil who is known.

In June 1975 the CD party managed to contain its losses to 2.5 per cent, principally because it compensated for a haemorrhage on its left by picking up votes from smaller parties like the Social Democrats and Liberals. This might happen again while the 8 per cent of neo-fascist MSI votes in 1972 also provide potential reservoir of votes for a party putting itself forward as the last bulwark against Communism.

The increasingly moderate stance of the Communist Party on the other hand has left significant electoral space open on its left where it faces challenges from the PDUP-man, Lotta Continua, Avanguardia Operaia and Lavoratori per il Socialismo groups while have joined together in a fragile coalition. The Radical Party which is seeking its own candidates after failing to agree an electoral pact with the Socialists Party.

The big risk for the Left as a whole is a repetition of the 1972 election performance when the two Left-wing groups, PDUP or PSIUI managed to gain enough vote in one electoral college to secure a seat. Under the Italian electoral rules this meant the nearly 4m. Left-wing voters were without electing a single candidate.

There is also a risk of bad sliding from some of the middle class people who gave the PC their vote in the regional elections. But the PCI still has some potential new support from the south of the country, particularly in places like Naples where the popularity of the Left-wing city council could increase its vote—even by a straight swipe from monarchist and neo-fascist protest votes to the PCI.

The Republican Party is also expected to gain votes—ever though the failure to get Sig. Giovanni Agnelli of Fiat and his business figure on to its list has dashed their more ambitious hopes of becoming the pole of attraction for the productive middle and managerial class.

But the party which has the most ambitious target of further gains at these elections is the Socialist Party, which hopes to increase its weight as to put itself on the road to emulating the rise of the French Socialist Party under M. François Mitterrand. It has already gained the support of Left-wing dissidents from the Social Democrat Party and hopes for support from nervous or dissident voters from both the PCI and the Christian Democrats. But poor organisation, rather uninspiring leadership, and a vague political programme, have dashed this party more optimistic hopes in the past.

The above panorama shows that the choices and prospects before the Italian electorate are much more complex than the excessively dramatic alternative of yes or no to Communism. Italy is very much a pluralist political society and it is likely to survive as such after the elections. The real question is whether the elections will provide the sort of balance forces which allows Italy to begin the task of national renewal or lock it even further into a stalemate. It is the last prospect which is probably the most dangerous in the long run.



General Elections May 1972		Regional Elections June 1975*	
Party	Per cent.	Seats (Lower House)	Per cent.
CD	38.8	206	35.3
PCI	35.3	179	32.4
MSI (and Monarchists)	8.7	55	12.2
PSDI	5.1	30	5.6
PSI	3.9	20	2.5
PLI	2.8	15	3.2
PSIUP*	1.5	—	—
PDUP*	0.7	4	0.2
Others	0.7	—	—

* Neither the Proletarian Unity Party (PSIUP) nor the PDUP gained a seat. Nearly one million left wing votes were wasted here.

** In the normal statute regions only.

Attende's government in Chile, and the predictable international and domestic difficulties which such a solution would generate.

If the left wing parties between them manage to obtain over 50 per cent of the vote, and they obtained nearly 47 per cent at the regional elections in June last year, they would be under strong pressure from their supporters to form such a government. But it is clear that both the PCI and the PSDI would only go ahead with great reluctance, and probably only after the attempt to form some other kind of government and proved impossible. Indeed it cannot be excluded that the Communist Party would in the last resort agree to remain outside a government even if it did become the largest single party or after a 51 per cent left wing victory.

But this would be very hard to sell to its supporters unless accompanied by major concessions which increased for example the political weight of the Socialist Party in the Cabinet and recognised the electoral weight of the PCI, even though the party formally at least, remained aloof.

At this stage such considerations are merely theoretical but they do illustrate the point that general elections in Italy do not return governments—they give votes to parties and, through the preference system, to individual politicians. The eventual form of government which emerges after elections depends on the relative balance of forces which emerges on and negotiations between the party leaders themselves.

It would be a very wise—or foolish—man who attempted to predict the outcome of the forthcoming general election. But there are good grounds for believing that the eventual outcome will be closer to the relative position of the parties at the regional elections of June 1975 than at the previous general election of May 1972. This might still

Vatican threatens voters with excommunication

BY ANTHONY ROBINSON

ROME, May 18.

THE Roman Catholic hierarchy has reacted extremely strongly to the decision of several prominent Catholics to stand as independents on the electoral list of the Communist Party and has threatened them in effect with sanctions amounting to excommunication if they insist on standing.

This warning, issued by Cardinal Antonio Poma, president of the Council of Italian Bishops, recalls the July 1949 excommunication of all those Catholics "who, in bad faith, adhered to the atheistic philosophy of Marxism." This has never been revoked but in practice has not been seriously applied for many years, particularly under Pope John. Millions of Italians, who are formally Catholics regularly vote for the Communist or Socialist parties.

The Pope has already reacted to the latest situation by describing as traitors the six Catholic intellectuals who have agreed to stand as independents on the PCI list.

The Pope personally conferred with Cardinal Poma before the Cardinal made his speech to the Italian Bishops in which he drew attention once again "to the theoretical and practical irreconcilability between Christianity and atheistic Communism and therefore between profession of the Christian faith and the favouring or support of an authentic Marxist movement." Such a situation was not possible, he added, even when, as in this case, the Catholics concerned have stated that they accept neither the ideology of Marxism

atheism or the methodology of the PCI. They have motivated their willingness to stand as independents on the PCI list on purely political grounds.

The Church has already come into conflict with the increasingly lay attitude of the majority of Italians, as expressed in the divorce referendum, and over the even more highly charged issue of abortion law reform. The decline in power and prestige of the Christian Democrat Party and the very real possibility that the City of Rome itself will elect a left-wing city council on June 20, are also causing anguish while renegotiations of the 1929 Lateran Pact regulations relations between the Italian State and the Holy See is another problem which still has to be resolved.

Resignation is withdrawn

By Lance Keyworth

HELSINKI, May 18.

PRIME MINISTER Martti Miettunen today withdrew the resignation of his Government which he had submitted to the President on May 13. All five parties in his Centre-Left coalition Cabinet had agreed to President Urho Kekkonen's suggestion that they would allow the Finnish Communist Party, a Cabinet member, to vote against the Government's proposed increase in the turnover tax rate and yet stay in office.

GDR supports detente

EAST GERMAN leader Erich Honecker today pledged continuing support for detente but accused "revanchist and reactionary forces" in West Germany of trying to interfere in his country's internal affairs.

In the main speech on the first day of the East German Socialist Unity (Communist) Party's ninth Congress, Herr Honecker declared: "Detente is the main tendency of the international scene."

But he added that unnamed imperialists were still trying to undermine East-West agreements, and temporary ceasefires in the detente process could be ruled out.

Turning to West Germany, Herr Honecker said his Party wanted relations between the two German states to be developed further. "But we do not overlook persistent and recently stepped up efforts by revanchist forces in West Germany to use higher diversification to interfere in the internal affairs of the (East German) Democratic Republic Agencies."

The taxpayer was faced with the choice between being in breach of law or having to employ many specialists to deal with the specialist departments of the Inland Revenue. If the system of direct taxation was to work the concept of introducing or maintaining legislation which did not yield tax as major scale must be abandoned.

The new powers being sought to deal with avoidance as evasion would greatly assist the Inland Revenue but it was an unpalatable step to jeopardise the constitutional rights of twenty million taxpayers to counteract the activities of a less than one per cent of the tax paying community. If the taxpayer found himself paying an unacceptably high rate of tax as saw his tax dissipated in what he believed unnecessary waste and extravagance he would seek to avoid taxation. The remedy was largely the reduction of unnecessary expenditure and hence taxation.

Mr. Airey concluded by referring to students for their examinations and the high standard required of them. The Institute could not and would not lower examination standards below a practice level and there was therefore great need for members to assist students in obtaining the necessary level of practical experience.

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HOME NEWS

Another newsprint price rise likely in August

BY LORNE BARLING

PUBLISHERS are faced with yet another increase in the price of newsprint as a result of the continuing decline in the value of sterling against the currencies of exporting countries, notably in Scandinavia.

CWS profits up 50%

By Elinor Goodman, Consumer Affairs Correspondent

TRADING PROFITS of the Co-operative Wholesale Society, the central supplier to Britain's retail co-operative shops, rose by more than 50 per cent last year on a sales gain of just under 22 per cent.

Trading profit increased to £15.2m, while sales exceeded £1bn for the first time, reaching £1.1bn in the 12 months to January 10, 1978.

The profits increase coincided with a recovery in the fortunes of the CWS's largest customers, the co-operative retail societies, made a profit of £1.1m, up from £0.7m in 1977. The CWS's profits gain resulted more from a tightening of its own operations and relaxations in the Price Code, than the larger share of retail sales taken by co-operative shops last year.

Mr. Arthur Sugden, chief executive of the CWS, said yesterday that the main contributor to the improved profits was the £812m, a year food division. Its profits rose by 75 per cent, to £11m. Several factors, which made a loss in 1977, made a profit, partly through the speeding up of Price Commission machinery. The meat group results benefited from an improved imported meat market, and the New Zealand units made a profit in 1977, after trading at a heavy loss in the previous season.

The CWS was also helped by the improved performance of companies, like Spillers-French, in which it has a share. Profits from these interests rose by £500,000, to £2.5m.

The non-food division did less well. While sales in the food division rose faster than inflation, turnover in the non-food division went up by only just over 12 per cent, with profits down from £2.5m to £2.1m. The drapery, men's wear and footwear companies all went into the red.

An additional £4.5m has been allocated to reserves for new investment, while a further £5m is being put into the Employees' Pension Fund. Dividend distribution is being retained at 50p for every £100 worth of goods bought.

Investment plans

CWS's investment is to be increased in 1978 to £26m, against £18.4m last year. Mr. Sugden said the return on capital invested in new factories and processing units last year increased from 9.3 per cent, in 1974, to 13.8%.

Mr. Sugden said Government action to speed up the machinery for dealing with prices, rises and to defer taxation on stock profits had been significant in the CWS's improved performance, as well as the tightening up of some of the Society's own procedures.

Michael Blaudon, writes: Further special provisions of £1.5m were set aside in the past year by the Co-operative Banking group, including the Co-op Bank and the F. C. Finance instalment credit company.

The provisions were substantially lower than the previous year's £2.65m, however. As a result, in spite of a drop from £4.5m, to £3.5m, in the banking group's operating profits, there was an improvement in pre-tax profits, from £1.25m, to £2.18m.

Although publishers and Scandinavian suppliers were unwilling yesterday to discuss negotiations which are now taking place, it is understood that an increase of up to £20 a tonne is being sought from August 1.

Both sides accept that a rise of this magnitude will be a major blow to the U.K. publishing industry, following so quickly on the heels of a £15-a-tonne jump on May 1. This took the Scandinavian price to £188 a tonne for 45 grammes newsprint.

Extra costs

There is clearly a danger that some newspapers will not have the resources to meet the new price, but foreign newspaper producers argue that returns to their mills have been continuously eroded by devaluation.

One Canadian supplier said

yesterday: "We want to be helpful to our customers on whom our livelihood depends, but we can't go on losing. We only want to restore our position."

It has recently been pointed out that since the May 1 price rise was negotiated the value of sterling against the Swedish krona has fallen by about 10 per cent, and the returns to the mills are less than before the increase.

Similarly, Canadian suppliers estimate that they are about £3 a tonne worse off than before, and are likely to press for higher prices. The U.K. producers, Reed and Bowater, would almost certainly follow suit.

U.K. publishers are certain to resist any increases on the grounds that they cannot bear the additional costs at a time when increasing cover prices would certainly have a severely damaging impact on circulations.

Paper, board output and demand up

BY LORNE BARLING

U.K. PAPER and board demand and production increased steadily in the first few months of the year, although the industry remains cautious about the strength of the market.

Figures from the British Paper and Board Industry Federation yesterday show production in the January-March period as up 10 per cent on the same period last year.

Then, however, mills were working at an extremely low level, and even now it is estimated that the industry is working at only about 80 per cent of capacity. Newsprint output is at about 90 per cent, while other grades are substantially lower.

Nonetheless, destocking is believed finally to be at an end in most sectors, with production levels now roughly equal to demand. There is, however, some

evidence that depleted stocks are being built up again.

An increase of 30 per cent in production of wrapping and packing papers is seen as a reflection of the upturn in industrial activity, but producers are wary of predicting further advances.

In the board sector, packaging board output rose by 11 per cent during the quarter, and the upturn which began at the end of last year has so far been maintained, according to industry sources.

The overall improvement has edged a number of mills into much-needed profitability, but many are still faced with serious difficulties.

Most companies now believe that unless some concessions are made soon on prices, profitability will take far too long to reach the level required for modernisation.

PRODUCTION OF PAPER AND BOARD

	March 5 weeks 1976	March 13 weeks 1976	January-March 1976	March 5 weeks 1977	March 13 weeks 1977	January-March 1977
	Metric Tonnages	Metric Tonnages	Metric Tonnages	Metric Tonnages	Metric Tonnages	Metric Tonnages
Newsprint	32.7	83.5	+ 5%	32.7	83.5	+ 5%
Printing and writing papers and boards	95.9	235.8	+ 4%	95.9	235.8	+ 4%
Food wrappings	5.2	13.4	+ 9%	5.2	13.4	+ 9%
Kraft wrappings	13.5	35.3	+ 18%	13.5	35.3	+ 18%
Other wrapping and packing papers	85.0	220.1	+ 30%	85.0	220.1	+ 30%
Household, toilet papers and tissues	37.6	91.7	+ 4%	37.6	91.7	+ 4%
Other tissues	1.9	5.2	+ 9%	1.9	5.2	+ 9%
Industrial and special purpose papers	21.1	53.1	+ 25%	21.1	53.1	+ 25%
SUB TOTAL	292.8	738.1	+ 7%	292.8	738.1	+ 7%
Packaging boards	71.7	191.1	+ 11%	71.7	191.1	+ 11%
Boards for industrial and special purposes	22.6	52.4	+ 32%	22.6	52.4	+ 32%
Other boards	6.3	16.8	+ 87%	6.3	16.8	+ 87%
TOTAL BOARD (excluding printing and building board)	100.4	260.3	+ 18%	100.4	260.3	+ 18%
TOTAL PAPER AND BOARD (excl. building board)	393.2	998.5	+ 10%	393.2	998.5	+ 10%
Building board	2.7	6.3	+ 9%	2.7	6.3	+ 9%
TOTAL PAPER, BOARD AND BUILDING BOARD	395.9	1,004.7	+ 10%	395.9	1,004.7	+ 10%

Totals do not always add due to rounding

IN BRIEF

Mystery bidder

There is another mystery bidder for the Norton Villiers factory at Wolverhampton, Mr. Tom Potter, a member of the works action committee, said yesterday.

Water charge 'rise'

Charges by water authorities should be increased substantially where they are aimed at covering depreciation, a National Water Council working group says in its document *Paying for Water*.

The industry is concerned at the rate at which assets are being

consumed, although there is uncertainty over how much replacement work needs to be done.

Personnel group

The London Chamber of Commerce and Industry has established a personnel group to act as a focal point for the views of employees and industrial relations staff in member companies.

New air services

British Caledonian Airways plans to introduce scheduled services to Caracas, Lima and Bogota during the last week of October.

Eighth Concorde

The eighth Concorde, no. 208, made its maiden flight yesterday from the British Aircraft Corporation's airfield at Filton, Bristol, and is due to be delivered to British Airways within a few weeks—the third of five the airline has on order.

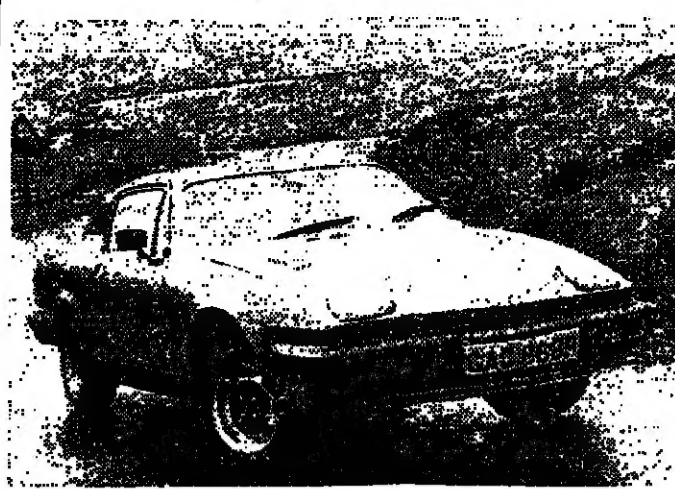
Steel appeal

Many industries, from domestic appliance and automotive to forging and aerospace, are beginning to benefit from a £22m project by British Steel Corporation which completes a large scale rationalisation programme in the production of steel bars, the raw material of a host of engineering products. The computer-controlled Tinsley Mill, Rotherham, was built at a cost of more than £20m, and incorporates latest techniques and plant drawn from the steelmaking centres of the world. It employs American machinery, Japanese furnace technology, Swedish hot-on-line surface testing, German cold surface inspection equipment and Sheffield-designed cooling and bar gauging equipment.

Rose stamps for centenary

ONE OF Britain's leading painters of wild flowers, Kristin Rosenberg, has designed four stamps being issued by the Post Office on June 30 to mark the centenary of the Royal National Rose Society.

The stamps main values—8p, 10p, 11p and 13p—show varieties of roses and are Kristin Rosenberg's first venture into stamp design. Roses featured are Elizabeth of Glamis, Grandpa Dickson, Rosa Mundi and Sweet Briar.



The Triumph TR7—launched to-day.

U.K. launch to-day of TR 7 sports car

BY JOHN GRIFFITHS

THE LATEST in a long line of Triumph sports cars, the TR7, goes on sale in the U.K. and several European markets to-day, nearly 18 months after the first models were delivered to customers in North America.

The car has done well against its principal rivals in America—the Datsun 280Z and Fiat's mid-engined X1/9—with U.S. sales to date of 17,000. This has earned some \$50m. for Leyland Cars in an otherwise bleak period, in which the company has had to pull out of the high-volume sector of the American market altogether.

But the TR7 to be sold here is a much livelier car than its American counterpart, being aerodynamically smoother and substantially faster, not hampered by U.S. federal safety and emission devices.

The TR7 resembles previous Triumph sports models only in having two seats. The wedge-shaped body is completely enclosed, with no open-top version available, thus ending a "TR" tradition which began when the first TR-2 rolled off the production line in 1953.

With a price set at a token few hundred pounds, the TR7 is nursing hopes that around the country for to-day's TR7 will appeal to a wider launch.

Guidelines for local lotteries published

By Kevin Done, Industrial Staff

GUIDELINES for regulating the operation of local lotteries were issued yesterday by the Home Office in a Consultative Document.

When the regulations, to be made under the Lotteries Act, 1975, are fully in operation, local authorities will, for the first time, have the power to promote lotteries and various charitable, sporting and other voluntary societies will be able to promote public lotteries on a much greater scale.

The Consultative Document proposes that weekly lotteries should be subject to a maximum turnover of £10,000, with a maximum single prize of £1,000. For lotteries held less than four times a year, the maximum turnover has been set at £40,000, with a maximum prize of £2,000.

Several of Britain's larger local authorities have lost their enthusiasm for lotteries because of the restrictions on turnover. The Greater London Council said yesterday that it had pushed the idea of local authority lotteries for many years, but it had been thinking of a scale up to £1m, rather than £40,000.

The City of London Corporation will bear a report to-morrow from its policy and parliamentary committee which recommends the running of lotteries for specific purposes on an experimental basis. But it points out that the estimated maximum annual proceeds from running a weekly lottery would be £182,000, compared with a possible rate burden on the City for 1978-79 of around £165m.

The Home Office document proposes that the sale of lottery tickets in casinos, licensed betting offices, bingo halls and amusement arcades and by vending machines and street sellers should be prohibited.

Mr. Roy Jenkins, Home Secretary, has invited comments from interested organisations to be submitted by June 30.

Crosland and Mason ready to attack Left-wing policies

BY PETER HENNESSY, LOBBY CORRESPONDENT

THE National Executive Committee of the Labour Party will to-day consider two papers submitted by Mr. Anthony Crosland, the Foreign Secretary, and Mr. Roy Mason, the Defence Secretary, which are highly critical of the foreign and defence policies drawn up by Labour's International Department with a view to their inclusion in the party's next election manifesto.

Mr. Crosland singles out Transport House's policies towards South Africa and Latin America as particularly unrealistic. A ban on all further British investment in South Africa would amount to a trade embargo which would damage British exports but do little to get rid of apartheid, he claims. Left-wing demands for trade embargoes on Brazil and Chile receive similar short shrift from Mr. Crosland. He argues that such attitudes would swiftly deprive the U.K. of her major trading partners in South America.

Mr. Crosland's call for realism in overseas policy is strongly supported by Mr. Mason. He argues in his paper that Left-wing demands for further defence cuts by 1980 would lead to disarray in NATO—which remains the cornerstone of the Government's foreign and defence policy. It would also lead to a loss of 300,000 jobs, mainly in the aerospace and shipbuilding industries, which are due to be nationalised soon.

At to-day's meeting, the NEC will complete its scrutiny of a 50,000-word document compiled by its Left-wing dominated home policy sub-committee.

Last week Mr. James Callaghan, the Prime Minister, successfully led an attack on proposals to increase public expenditure by £4bn over the next four years and to improve import controls over a wide range of manufactured goods. A plan to instruct the Bank of England to purchase British

Truck driving Tests going up

THE FEE for a driving test on heavy goods vehicles is going up from £8 to £24 from August 1, the Department of the Environment said yesterday.

Mr. John Gilbert, the Transport Minister, is consulting interested organisations about the increase, which is owing to increased costs.

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Bribery reports action ruled out

By John Hunt

MR. JOEL BARNETT, Chief Secretary to the Treasury, yesterday absolved the Government of any need to take action over reports that Shell and British Petroleum had made payments of hundreds of thousands of pounds to politicians in Italy.

He argued that the main responsibility for deciding whether such matters were unacceptable rested with the foreign country concerned. To a great measure of derision from the Labour benches, Mr. Barnett declared: "It is not within the Government's power unilaterally to prevent corruption in other countries."

The most that could be wrung out of him was a promise that the Government would press through international organisations, such as the OECD and the United Nations, for measures to be taken to deal "with the evil of bribery and corruption."

Many Labour MPs saw this as a meaningless promise that would have little practical outcome.

The statement provoked an angry reaction from the Left-wing. And even the Tories seemed taken aback by the tolerant line adopted by the Chief Secretary, although they broadly agreed with his sentiments.

Bad taste

From the Opposition front bench, Mr. John Nott, a Conservative Treasury spokesman, declared: "It's a little unclear why the Government felt it necessary to make such a statement at all. The Chief Secretary has not told us anything new."

Mr. Nott seemed to feel that it had been bad taste on the part of the newspapers to have reported the allegations at all. He pointed out that our major companies had to operate in the "real world" and he deplored any humbug from the Press or from Labour MPs that would damage their interests.

A leading Left-winger, Mr. Brian Sedgemore (Lab., Luton W.) acidly observed that if bribery and corruption were regarded as normal commercial practices, then there would be no need for the public to be told which firms of bribery were acceptable and which were not. He saw the row over the Italian payments as yet another reason for making partly State-owned companies such as BP more accountable to the country and Parliament.

Another Labour MP, Mr. John Prescott (Hull E.), thought the Minister's statement was "shameful" in the light of the cover-up that was going on in Europe about the activities of multi-national companies.

MRS. ANDREW WISE (Lab., Coventry SW.), a member of the Tribune Group, said that many Labour MPs regarded the Government's attitude as "feeble, inadequate and unacceptable."

Control

"We believe the yardstick you should use is not whether matters of corruption are legal and acceptable in Italy, but whether they are acceptable here."

But Mr. Barnett firmly told her that it was not who controlled the companies that mattered, but where they traded. BP traded in 70 countries, and it was not possible for whoever controlled the company also to control those 70 countries and the varying practices in them.

There were Labour cries of "Discrimination!" as Mr. John Odeman (C. Sheffield Hallam) said that although corruption was illegal in many countries, it remained a common practice in some of them. He argued that it did not make it any easier when our exporters were up against competitors who did not have the reservations that we had.

Reassuringly, Mr. Barnett told him: "There is nothing that I or the Government would wish to do that would discriminate against our exporters in foreign markets."

"Only 47% of British workers believe they are kept well informed by management—"

CBI Survey, May 1976

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New Town house sales ban relaxed

TALKS WITH chairmen of New Towns on the relaxation of the ban on the sale of rented houses were announced by Mr. John Silkin, Local Government and Housing Minister, in the Commons yesterday.

Mr. Silkin added that the sales policy would be monitored quarterly.

He was replying, in debate, to a fresh Tory demand for Government action to allow the sale of council houses to tenants.

Mr. Timothy Raison, shadow Environment Secretary, said: "In addition to the stock of human happiness, the sale of council houses does not diminish the overall housing stock."

Mr. Raison said a major advantage was the new owner's commitment to maintaining and improving his house. Removing the cost of management and maintenance represented a significant saving, something like £100 a year.

"It is the social and human advantages that really matter, including the ability to let people achieve home ownership without having to move."

Why was the Government being so pig-headed about the issue? "Why can't they relax their obsession with social ownership to give many more people what they demonstrably want?"

Mr. Silkin stressed that the Labour Party was not opposed to the sale of council houses in other countries. But an indiscriminate approach was wrong. Each area should consider housing need before any decision was taken to sell council houses.

Dealing with proposals for relaxing the ban on sales in New Towns, Mr. Silkin said that since he had stopped the sales of rented houses just over two years ago, the period for which people had to wait for a house in the New Towns had come tumbling down.

He would discuss with the New Town chairmen the arrangements for looking at the situation in each new town individually.

Sheldon resists call to drop higher duty on spirits

DUTY ON whisky "in real terms" has been coming down year by year, Mr. Robert Sheldon, Financial Secretary to the Treasury, claimed to the Commons Standing Committee on the Finance Bill last night.

He was replying to Conservative and Scottish Nationalist MPs critical of the Budget increase in duty on spirits.

SNP MPs moved the deletion of the clause in the Bill increasing the duty.

Mr. Sheldon said that, when considering the need for revenue which the Chancellor of the Exchequer had assured MPs was necessary, spirits had to make their contribution.

Mr. George Younger (C., Ayr) said he wished it would be possible to have a lower duty on Scotch.

POLITICAL PROFILE

WHENEVER THE Government finds itself involved in a Parliamentary squabble with the Opposition, like the recent row about the Committee of Selection and the composition of Standing Committees after Labour's loss of its overall majority in the Commons, the first attempts to solve it are made through what are universally known as "the usual channels."

The cliché is a convenient one used by politicians and journalists to describe the private business dealings between the managers of both major parties. Resorting to private ritual in a public disagreement is a well-established British constitutional device. But what exactly are the "usual channels?"

First attempts to smoke them out produce the faintly obscene reply that "whipping, like stripping, should be done in private, but briefly put, the 'channels' are the constant contacts between the Government and Opposition Chief Whips which ensure that the Opposition can vent its spleen without jeopardising entirely the orderly progress of Government legislation, and that the life of backbench MPs is not made intolerable by endless all-night sittings."

The 29 days of Parliamentary time devoted to Opposition have decided through these contacts as are having arrangements for sick members or absent Ministers. The Conservatives, for example, always agree to provide a pair for the Prime Minister and the Foreign Secretary, should they be abroad and for one Northern Ireland Minister on duty at Stormont. If Mr. Margaret Thatcher, leader of the opposition, wishes to consult No. 10 Downing Street privately about a matter of substance, her Chief Whip will do her bidding using the "usual channels."

The of in the machine which makes such Parliamentary fine tuning possible is provided by a highly unusual civil servant named Freddie Warren. Private Secretary to eight Chief Whips, it is he who acts as the right hand of Mr. Michael Cocks, the present occupant of No. 12 Downing Street.

Every Tuesday afternoon, Mr. Warren pays a call on Mr. Humphrey Atkins, Opposition Chief Whip, to inform him of the Government's plans for the following week's business. Should Mr. Atkins take exception to these arrangements, Mr. Warren will convey his objections to Mr. Cocks. Should these be passed on to the Prime Minister, Mr. Warren will convey his objections to Mr. Cocks.

"If, in any New Town, the average waiting period for those eligible for a New Town rented house is less than three months then, if the Development Corporation wishes and subject to proper consultations, we could start resuming sales."

Mr. Silkin said it would also be important to monitor the sales policy regularly. "Every quarter, we would look at each town individually to see whether, in the light of any changes in the average period, sales ought to be slowed down, resumed or continued as before."

This policy would achieve the right balance between helping those who wished to own their own homes and making sure that there was a proper supply for those people looking for a house to rent, particularly those in greatest need.

Mr. Silkin, turning to the argument about the social immobility imposed by council housing, said that the Government was looking at possibilities including equity sharing and co-operative housing, transfers of tenancies, and the handing over of management of housing estates to the tenants themselves.

For the Liberals, Mr. David Penhaligon said decisions over the selling of council houses should be left in the hands of local authorities. "They are the only ones who can possibly know their own areas well enough," he said.

● The Conservative Opposition on the Greater London Council yesterday invited council tenants to join a waiting list now to buy their homes. "The day we take control of County Hall they will get their chance," said Mr. Horace Cutler, Opposition leader.

He said those writing to him would be placed in the queue on a first-come, first-served basis for the sale of houses if the Tories took control of the GLC in the May, 1977, elections. During the last Conservative control of the GLC, 18,000 council houses were sold to tenants.

Minister disputes Tory 'brain drain' claims

FINANCIAL TIMES REPORTER

A CLAIM by Mr. James Prior, shadow Employment Minister, that discontent with Government policies is resulting in large numbers of British management deciding to get out of the country as fast as they can was disputed by Mr. Albert Booth, Secretary for Employment, in the Commons yesterday.

The Minister relied on the findings of the Royal Commission on the distribution of income and wealth which pointed to the conclusion that there was no evidence whatever that British management was leaving the country any faster than in the past.

But this view failed to satisfy Conservative MPs. They cheered Mr. Prior when he maintained:

"There is now a very serious drain, indeed, of management. We shall never have a successful economy and full employment again while management is treated as badly as the present Government is treating them."

Mr. Prior called on the Government to take action on taxation, differentials, and better pay, and to show more understanding of British management's position.

Mr. Booth stressed that in present circumstances it would not be possible to relieve management from the substantial sacrifices being made by many members of the community in the interests of defeating inflation.

The amendment was moved by Sir John Hall (C., Wycombe) who said British-made wine and beer producers did not have to pay duty until about 40 days after the drink had been sold.

Mr. Sheldon said the amendment would reduce the revenue by more than £100m. in 1976-77. This was something the Government could not afford to do at a time when everyone was aware of the problems facing the country.

Mr. Peter Horden (C., Hereford and Worcester) said that the imported wine and spirits trade was suffering severe hardship and strain because it was not allowed a period of credit on export duties after withdrawal from bond.

He was supporting an amendment to the Bill to give a credit period for the duty payable on the removal from warehouse lasting until the 25th day of the month following the month in which duty was charged.

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Steel will contest Liberal leadership

By Philip Rawstorne

MR. DAVID STEEL, Liberal spokesman on foreign affairs and former Chief Whip, last night announced that he would be a candidate for the party leadership.

Two other Liberal MPs, Mr. John Pades and Mr. Emyln Hooson, have already indicated that they will contest the election, planned for July after the party has agreed new procedures at a special conference in Birmingham next month.

Mr. Russell Johnston, MP for Inverness, is also expected to join the race to take over the leadership after Mr. Jo Grimond's "caretaker" period of office.

Mr. Steel, who consulted his constituency officials at the week-end about his candidature, said in London last night: "If you find yourself in the kitchen anyway, you might as well take charge of the menu."

Liberal MPs had decided, he said, that in future there should be a more collective leadership of the party than there had been in the past.

But Mr. Steel set out his own ideas on the party's future role. "It should not be that of a third shadow Government with a detailed policy on every single issue of the day, ready and waiting in the wings for a shift in electoral opinion to sweep us into power," he declared.

The Liberal task was "to spell out a clear view of the society we want to achieve to provide long-term goals to a people weary of the politics of pragmatism, expediency and compromise."

Mr. Steel said that the party should be ready to work with others to achieve its long-term programme. "In my political lifetime, I have worked closely with those of other parties to promote certain causes—Europe, anti-apartheid, legislation on social reforms, housing, devolution, and electoral reform."

"The experience has not made me less of a Liberal, nor compromised the independence of Liberalism," he said, "but it has increased among the under 35 age group, Mr. Steel added. "The opportunity before us is immense. Our role is to renew hope that a more tolerant, a more fair, a more caring, a more open society is within our capacity to create."

THE Department of Industry had no recent communication from the Iranian Government on the purchase of Concorde, Mr. Leslie Blackfield, Under-Secretary, stated in the Commons yesterday.

He told MPs: "In the absence of a firm order, the aircraft are being manufactured to a standard which, with relatively small modifications, would meet the requirements either of Iran Air or another purchaser."

Concorde 'can be modified'

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LABOUR NEWS

Dell spells out hard line on participation conditions

BY JOHN ELLIOTT, MANAGEMENT EDITOR

A TOUGH Government line on the conditions trade unions will have to meet in return for increased industrial democracy was spelled out yesterday by Mr. Edmund Dell, Secretary for Trade.

In his first major speech on the subject since taking over trade responsibilities in the recent Ministerial reshuffle, Mr. Dell stressed that any Government initiative would have to be "compatible with improved industrial relations, the efficient management of companies, and with an increasing level of investment of risk capital."

Mr. Dell is the Minister primarily responsible for industrial democracy, because of its company law implications and it will be to him that the Bullock inquiry will be made to report on the subject next winter.

It is significant, therefore, that he should choose, in his speech, made in London yesterday at an Industrial Society conference, to stress that the success of the initiative will be measured by its ability to invest and expand, its competitive power.

Mr. Dell said: "We want workers to have a more effective voice in the management of the enterprise. But we want them to recognise the extra responsibility for the efficiency of their organisation that goes with it. A splendid new framework of participation will be of little value if those who must make it work are not in a co-operative frame of mind."

Industrial democracy, if it is to mean anything, must mean acceptance by employees of a share of responsibility for the industrial efficiency, Mr. Dell stressed. "It is not enough to say that the management before the management participation conference must be measured by its ability to invest and expand, its competitive power."

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"Except for the basic and fundamental principle that some form of employee representation on the Boards of companies should be introduced, all options are open. This has been reflected in the wide range of views expressed in the evidence submitted to the committee."

Although Mr. Dell was careful not to appear to be specifically attacking the Bullock inquiry, his remarks will be seen by leaders of industrial relations, the efficient management of companies, and with an increasing level of investment of risk capital."

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Britain, he added, could "not afford the luxury of radical change if the result is not to be greater efficiency."

Later, the conference was told that new participation arrangements in British Leyland were beginning in work well. "Senior shop stewards are showing themselves willing to shoulder responsibility in the interests of their members. They are also using their influence to end disputes, not to prolong them," said Mr. Geoff Whalen, Leyland Cars personnel director.

"Too often in the past British Leyland took decisions without taking into account the industrial relations implications of these decisions, such as employee prospects in the areas affected," said Mr. Whalen, explaining the senior stewards were now playing a significant part in discussions on where in the Midlands a new £25m. plant should be sited.

But there was still a problem of how to involve middle managers who otherwise would begin to feel the "forgotten men," Leyland's present answer to this was for them to take part in discussions with senior management before the management participation conference met.

Europe divided on participation

Europe divided on participation

Europe divided on participation

Europe divided on participation

HOME NEWS

£70bn. oil revenue forecast from North Sea over 15 years

BY RAY DAFTER, ENERGY CORRESPONDENT

NORTH SEA oil development could make the U.K. self-sufficient in crude through the 1980s and possibly to the year 2000, according to a report published yesterday.

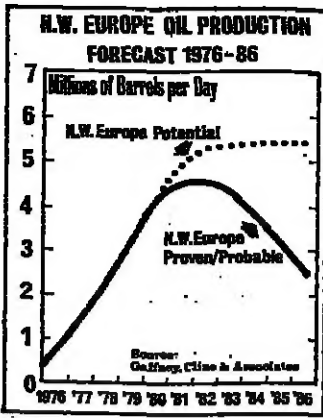
This output could provide the Government with a revenue of at least £70bn. at current prices over the next 15 years, according to Cline and Associates, U.K. petroleum consultants, in their latest study of the oil potential of the North West European Shelf.

They point out, however, that uncertainties of the Government's legislation on State-participation and tax rates have caused oil companies to react with "over-protective" caution for future development. Some have even hinted that the U.K.'s period of self-sufficiency might last for only three years.

On the other hand, the potential revenue of £70bn. showed that the actual ratio of State taxation to production levels compared favourably with other major oil producing countries.

It must, therefore, be concluded that recent delays in development schemes have not simply resulted from the share of Government take, but rather to the manner in which this has been and is being determined.

Turning to the wider region of the North West European



Shelf, the consultants say the area is still largely unexplored in detail. Nevertheless, it would continue as a major oil region through to the 21st century.

Latest forecasts showed that the production potential for the region may rise from 4m. barrels a day in 1980 to nearly 6m. barrels in 1984.

Energy conservation is necessary not only at the present but in the long term as oil and natural gas resources begin to diminish. Prof. Sir William Hawthorne, chairman of the Government's Advisory Council on Energy Conservation, said in London yesterday.

Hawker man to head R-R support staff

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MR. ROBERT L. LICKLEY, 64, who has been assistant managing director of Hawker Siddeley Aviation since 1965, is joining the National Enterprise Board on June 1, where he will head the Rolls-Royce support staff.

His task will be to help Lord Ryder, NEB chairman, and the rest of the NEB Board, to fulfil the responsibilities of the NEB set out in the recent memorandum on its working relationship with Rolls-Royce (1971).

This involves the NEB monitoring the financial situation of Rolls-Royce and assessing its major investment programmes, the funds for which will be channelled through the NEB. It will not be the NEB function to usurp the functions of the Rolls-Royce Board or interfere in that company's day-to-day management.

Engineer

Mr. Lickley's role, therefore, will be of considerable importance to Rolls-Royce. By choosing an aeronautical engineer of long standing with considerable management experience, the NEB has sought to make communications between it and Rolls-Royce as smooth as possible.

This is especially significant in the light of the row that developed between Lord Ryder, NEB chairman, and Sir Kenneth Keith, chairman of Rolls-Royce, over the precise relationship between the two companies—and the two individuals—when it became known that the Government intended to vest its 100 per cent. ownership of Rolls-Royce in the NEB.

The dispute was eventually resolved by the memorandum of understanding published earlier

Farnborough booked up

WITH FOUR months to go before the Farnborough air display opens on September 5, all the exhibition space has been sold and there is a waiting list of exhibitors, the Society of British Aerospace Companies says.

More foreign aerospace companies will be taking part than in any previous air display in Britain, with nearly 400 companies having booked stands, the largest group coming from the U.S.

More than 50,000 trade visitors are expected at the show, which lasts until September 12. Already, some 100 different types of aircraft are expected to appear in the daily flying displays, including several types not seen before in this country.

Yearly basis urged for tax inspection powers

BY MICHAEL BLANDEN

EW POWERS to investigate tax evasion should be granted to the Inland Revenue only on an annual basis, it was argued yesterday by Mr. Desmond Airey, resident of the Institute of taxation.

He was speaking a day after Mr. Joel Barnett, the Treasury Secretary, had promised additional "safeguards" against use of the so-called "snooper's charter" provisions in the Finance Bill. Mr. Airey urged that "to put the constitutional rights of over 20m. taxpayers in serious jeopardy in order to counteract the activities of far less than 1 per cent. of tax paying community is a wholly unpalatable step."

Mr. Airey told the Institute's annual general meeting that the powers being sought by the Inland Revenue would help in dealing with the small number of people involved in tax evasion of large-scale tax avoidance schemes. But he suggested that a problem partly arose out of "unacceptably high" rates of tax.

Mr. Airey also maintained at much of the tax legislation

of the past few years remained undigested and expressed concern about the effects of the increasing complexity of the law. "The taxpayer will have the choice of being in breach of the law or employing an army of specialists to advise him in dealing with the specialist departments of the Inland Revenue," he suggested.

If the direct taxation system was to work, the concept of introducing or maintaining law which was not overtly tax yielding on a major scale should be abandoned.

"Complex legislation which is introduced simply to effect social justice without any prospect of a major tax yield must detract from the efficient operation of direct taxation," he argued.

The amount of time spent on marginal cases, both by the Inland Revenue and by the taxpayer, was "too great for efficiency." The raising of tax thresholds would lead to more efficient and cheaper tax collection.

More tax relief for Manx residents

By Our Own Correspondent

INCREASED income-tax relief for Manx residents, a planned gross expenditure of over £50m, and an expected revenue surplus of £947,000 at the end of the current year are the main features of the Manx Budget speech delivered to the Tynwald by Mr. John Bolton, chairman of the Isle of Man Government Finance Board.

Expected revenue from customs and excise under the "common purse agreement" will be £12.5m, and general receipts £1.5m. Income-tax is expected to yield £3.5m, of which £1.3m. should have been collected in 1975-76.

Chris Baur evaluates the Conservatives' chances in Scotland

Scotch mist politics

AFTER ALL the passionate rumpus and bell-ringing of last week-end's Scottish Conservative Party conference, when the Party revealed for the umpteenth time just how deeply divided it remains on the question of setting up an elected Scottish assembly, there occurred one of those timeless little incidents which highlighted the gulf of understanding which frequently yawns between Scotland and Westminster.

While the conference participants dutifully rewarded Mrs. Margaret Thatcher with their standing ovation at the end of the Leader's rally, eleven strapping lasses wearing Young Conservative T-shirts, pranced to the front of the Perth City Hall and, for the benefit of the audience and the TV cameras, held aloft large cards bearing the message ASSEMBLY-0-1000. They then turned and faced their astonished leader and her baffled retinue with the unintelligible assertion—KOYLBMESSA.

Deciphering the message from Scotland has become a critical art for both major parties. Both have been forced by the weight of Scottish Nationalist sentiment, expressed at the last election and evident in local elections and opinion polls since, to patch together compromises on devolution. The Conservative compromise appears the more threadbare in Scotland simply because its prime objective has not been to clarify the type of assembly the party wants but rather to subdue so far as possible a revolt against any form of assembly by a minority of Scots combined with a majority of English MPs at Westminster.

The Shadow Cabinet's formula, endorsed against the raucous protests of a large section of the Perth conference last week, traded a commitment to vote against the Labour Government's devolution measures, in return for a pledge to create a much more modest assembly, without its own executive and functioning purely as a third chamber of Westminster.

There will be precious few Scottish votes in that policy for the Tories, and they know it. Since so many English MPs are loudly complaining that they have had foisted upon them a devolution policy that has never been debated outside Scotland, it would seem strange indeed if the bone was not gnawed with some vigour at the Conservative annual conference this autumn. And judging by the warning snarls at the Shadow Cabinet by Tory backbench committees in the Commons already, the noise the Scots will hear from that gathering will probably be wholly anti-assembly.

Added to this is that the Tories are being nailed with the anti-devolutionist tag simply by fighting Labour's assembly legislation. Already there are signs that the pro-assembly Scots realise this and will attempt to preserve their position by lobbying for a free vote in the Commons.

Finally, there is a deeper-rooted philosophical difficulty for the Tories—reconciling themselves to their long-term decline in Scotland. Their wrangling over the assembly is perhaps the sharpest illustration of Party's traumatic loss of self-confidence, wrought by the

steady forfeiture of 20 seats and more than 600,000 voters in the two decades since it commanded a majority of constituencies and also the total poll in Scotland. With no more than three of its present 16 seats showing any capacity to cultivate working-class industrial support, the Party often appears to believe that the main reason why it should fear an assembly is simply because it could never hope to control the institution.

But all is not necessarily lost for the Conservatives in Scotland. The Party is, in fact, assuming that while it may not gain at all from its latest devolution stance, it might also just squeeze by without sustaining any great further damage as the Nationalists' handwagon hurtles past its garden gate. It bases this on the comforting knowledge that the main thrust of the Nationalist attack, ever since the last election, has been directed against the Labour vote in those three dozen Labour seats where the SNP stands second.

There is, of course, enough incentive if they can be clever enough about it, for the Conservatives to try to wreck Labour's devolution legislation and watch Labour reap the whirlwind in Scotland, while Mrs. Thatcher moves into No. 10. But even if this fancy jig cannot be accomplished, Conservative managers in Scotland seem to feel (and the opinion polls tend to confirm it) that Tory support is in any case beginning to stabilise, and is not about to plunge to new depths.

Labour's prospects are more difficult to predict. If the

Government is tempted into an election before it has delivered its devolution legislation, it will have only one despairing card to play in Scotland—the invitation to vote Labour on the ground that the Conservatives would never create an assembly.

One has to assume that the Government is as determined as it keeps saying it is to complete the assembly legislation. Its campaign is already being carefully orchestrated in Scotland. The March and April conferences of the Party's Scottish Council, and of the Scottish TUC, set the seal of unity on their joint campaign for a new, improved devolution package.

The two wings of the Party are demanding that the assembly be given some "economic power" through control of the Scottish Development Agency and the Highlands and Islands Development Board, and that the assembly's stature as a "domestic parliament" be secured by ditching the veto powers which the Government's November White Paper had proposed vesting in the Secretary of State for Scotland.

Both these concessions appear likely to be conceded and the Government may, it is felt by some, go further by giving the assembly wider local taxation powers than the single rates surcharge which was suggested in November. The Government is expected to show its eagerness on the issue by announcing these improvements perhaps before Parliament rises at the end of this month.

In Scotland, the Party is keeping its fingers crossed in the



The biggest threat of the Nationalists in Scotland is to Labour and devolution policies of Mr. Michael Foot.

hope that this "strengthened" Devolution Bill, when it emerges at the beginning of the autumn session of Parliament, will not lead to an uncontrollable rebellion by Labour backbenchers.

It assumes that a revolt can, in fact, be confined first under the discipline of conducting the debate in what will inevitably be an election-fever year, and second through the possibility of trading with anti-assembly MPs many of whom are assumed merely to be fighting to secure greater benefits for their regions. This might be done, for instance, by agreeing to create in English assisted areas development agencies similar to those already working in Scotland and Wales.

This formula, hammered out by Labour, will probably be enough to contain defections to the newly-established independent Scottish Labour Party. The new SLP has a long way to go before it has distinguished a place for itself between the independence platform of the Nationalists, and the sub-federalist platform of Labour. The SNP has driven on with what was always its major

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PROCESSES

Consumes batteries cleanly

A COMPLETELY closed lead acid battery reclamation furnace, the first of its kind in the U.K., is to be installed by Britannia Lead Company. The company is in the course of developing a new secondary lead recovery plant next to its main refinery at Northfleet, Kent.

The furnace, of Danish design, is an advancement of technology originated in West Germany by Varta Batterie AG. It is a closed operating system achieving very high temperatures, in which oxygen is used in the blast area and a series of after-burner chambers finish the combustion process by ensuring that all the hydrocarbon particles are burned.

In addition to the environmental advantages, the need to break open the batteries by hand is obviated, the danger to workers from acid splashes is minimised, and health hazards are removed.

Design, construction and management contract for the new plant has been awarded to West's Civil Engineering of Slough. When commissioned in 1977 the plant will be able to produce 30,000 tonnes of lead per year.

Rotary rubber curing

AUTOMATIC production of endless rubber products is possible on a prototype machine developed by Pathex (Canada), 74, Rainside Road, Don Mills, Ontario M3A 1A3.

Primarily developed to produce pre-cured rubber tread for tyre recapping, this rotary curing press is stated to offer a number of advantages compared with conventional flat bed machines. The company says the system should be attractive to recappers of truck tyres and "off-the-road" tyres for construction and farm vehicles. It can also be used for the production of endless conveyor belting, endless matting, and recapping tread for car tyres.



A large storage vessel being welded into shape at the Petrosar petrochemical plant which is now being constructed at Sarnia, Ontario. The \$C.750m. plant is Canada's first large scale project of this type and will provide products for its own partner companies, Du Pont of Canada, Polysar, Canada Development

Corporation and Union Carbide Canada. The 400-acre plant will process crude oil delivered by pipeline from Alberta and when fully operational it will need 170,000 barrels a day. About 53,000 barrels will be processed into petrochemicals and the rest into fuel oils and gases.

Capable of handling all rubber compounds, the rotary action of the press makes it suitable for incorporation in a complete processing system, that could include downstream equipment for product cooling, buffing and wind-up.

The press requires a hydraulic power pack, electric and air supply, condensate discharge connection, and a steam supply—it is said to use about one-third the steam required for curing by a conventional flat bed press. The prototype machine has a 3 feet drum diameter and 2 feet drum width, making it capable of simultaneously processing two webs of tread stock, each 10 inches wide, or a single web of tread stock, conveyor belting, etc., up to 24 inches wide. The machine operates in cycles involving drum rotation of about

Automatic waste stripper

DEVELOPED in Japan, the Dainippon DN Auto-Stripper provides automatic stripping of waste in the course of box and carton making. It is said to offer considerable savings in time and cost compared with conventional manual methods.

The equipment employs a system of upper and lower pins that are set according to the needs of each individual job. No special skills are required to operate the machinery.

A pile of die-cut sheets can be fed at speeds up to 18,000 hr through a conveyor system where they are stripped, the waste portions being automatically separated and discarded while the resulting clean banks are conveyed to the next process.

The machine is available in six models of a standard design, with sheet size capacities ranging from 700 by 970 mm to 970 by 1,300 mm. It can also be supplied with whatever modifications are necessary, and is marketed in the U.K. by Smyth-Horne, 2 Pegasus Road, London N18 2LW (01-503 6391).

ELECTRONICS

Moves in teletext

COINCIDENT with the news that BBC2 is to carry additional teletext material in support of the CeeFax service on BBC1, Labgear, a 27-year-old subsidiary has announced a new "stand alone" teletext adaptor for use with existing sets and Texas Instruments has indicated production availability of its Tifax XM-11 decoder board.

Interest in the Labgear adaptor centres around its price and the ability simply to plug it into the TV set's coaxial socket and a TV aerial socket.

Considerable questioning at yesterday's London press conference showed Labgear unable to quote an exact starting price other than hinting it would be "about half the price of a 26 inch colour set," implying about £200.

The company has shown some courage in making a "green field" start in this area: there are still only about 250 hand-made units of all kinds in the field and Labgear admits to having conducted very little market research into what the public will pay.

The "chicken and egg" problem remains: until units are widely installed for people to see, they will not be convinced in large numbers, and until prices come down (implying large scale production), sales are slow.

Labgear believes that a start must be made with those who have been readily able to purchase colour TV—those that have spent and will, it is hoped, spend again. Certainly the company is convinced that the external adaptor approach will be

more attractive to such buyers than premature replacement of the whole set.

Best prospects are seen to be those viewers with sets up to about three years old—there are some 5m. of these and few of them are likely to want to replace their receiver by another with in-built teletext facilities, claims Labgear.

First trade showing of the unit, called CM7026, will be at the Home Electronics and Domestic Appliances Exhibition at the National Exhibition Centre, Birmingham (May 23 to 27). It is easy to use, involving button pressing for both channel and page selection. No discernible picture degradation is introduced by it.

Interestingly, Labgear appears to be the first manufacturer to announce the use of the Texas Instruments XM-11 decoder board, production of which is now starting at Bedford.

The board is aimed mainly at set makers incorporating teletext facilities within the receiver itself. The company states that the module will enable receiver manufacturers to supply teletext receivers at less than half the current cost of those using the Tifax solution.

It consists of a set of dedicated LSI components on a single printed board, requiring only a keyboard, single five volt supply and six connections with the receiver. Depending on the BREMA specification.

GEORGE CHARLISH

MATERIALS

Converts waste into board

RECOVERY and reclamation of waste mixed plastics by compression to form multi-purpose building board is being undertaken by Reclaim International, Burtonhead Road, St. Helens, Merseyside WA9 5DS (0744 33201), a National Freight Corporation company.

Raw material supplies, mostly from industrial sources within 50 miles of the plant, will be collected by another NFC subsidiary—Waste Clearance (Holdings).

Called Turbord, the material is supplied in sheets 8 feet x 4 feet x 1 inches thick, weighing about 25 kg and colored black. It can be worked with conventional power or hand woodworking tools, and fixed with screws or nails—adhesive is not recommended. The boards can be welded together with a hot-air gun and polyethylene welding rods.

Major field of application is expected to be in farm buildings for use as cladding, partitioning and fencing. It has a Class 3 surface spread of flame rating, and is stated to have a higher impact strength than

hardboard, asbestos cement and chipboard. Moisture content, water absorption and permeability is almost nil, it requires no protective coating, and can be steam-cleaned or high-pressure hosed. Service temperature range is -25 to +70 degrees C.

Tough epoxy flooring

EPOXY RESIN flooring screed able to withstand aggressive wear, chemical attack and steam cleaning, has been developed by CBP-Tercol, Cleveland Road, Hemel Hempstead, Herts, HP2 7DL (0442 2101).

Nitrogenated 212 screed—made from solvent-free epoxy resins filled with high crushing strength inert aggregates—has been formulated to ensure low odour, both during application and after full cure.

Laid down thick, it is said to provide a surface with a compressive, flexural and tensile strength in excess of concrete.

Available in brick-red, the floor will withstand the abrasive effects of heavy trucking and contact with a wide range of chemical and solvents.

At 20deg.C the floor will cure sufficiently to withstand foot traffic in 16 hours. Full cure is reached in six days.

TEXTILES

Cuts and seals man-made fibres

MADE BY Engel GmbH in Germany, a range of thermo-cutting units is available for cutting and sealing synthetic woven and knitted fabrics; for removing excess material from spools and shafts; and for cutting and welding ropes, cords and cables made of fully synthetic fibres.

The range extends from small portable hand tools to higher capacity models with ten-step temperature control. With all models there is a selection of cutting blades. A thermostatically controlled unit is available enabling the cutting temperature to be set between 200 and 600 degrees C.

The tools are marketed in the U.K. by Kelgray Products, Bywell House, South Godstone, Surrey (034255 3063).

HAND TOOLS

Quiet screwdrivers

QUIET reversible pneumatic screwdrivers have been introduced by Desoutter Brothers, The Hyde, London, NW9 6ND (01-265 7050).

The 25AD8 range of screwdrivers has an externally adjustable spring-tension clutch, giving a torque range of between 3 and 100 lbf.in. The clutch is useful when used with the company's range of angle-head attachments. Final clutch drive sizes of either 5/16-inch or

OFFICE EQUIPMENT

Tickets instead of money

WHERE MANAGEMENT wishes to control cash, speed service, and improve hygiene, the Scribe vending machine will issue tickets or stamps in exchange for coins. A typical version, used in a works canteen, issues 5p tickets for 5p or 10p coins.

The machine is said to have applications where goods and services are supplied at a standard price and cash control is difficult. Examples quoted are: admission to clubs and places of entertainment; admission to sports facilities; issue of medicines against prescriptions; issue of savings stamps in clubs and retail premises.

The Scribe is, electrically operated and can be supplied to accept 5p, 10p or 50p coins or a combination of these coins. It holds a roll of 3,000 tickets or stamps—when the roll runs out an "empty" sign is illuminated and coins are rejected.

Automatic Business Machines, Wyfold Road, London, SW6 6SE (01-874 3311), which markets the machines, says a feature is a non-resettable counter which allows the keyholder to check the cash taken against the number of tickets sold.

GEORGE CHARLISH

Franks with clarity

COMPACT postal franker Neo-post 2305 is designed mainly for smaller offices and for departments and branches of large organisations.

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As soon as an envelope or label is placed in the correct position it is franked, ejected and stacked. An envelope gliding contact can be supplied if needed. Value selection is by action.

Large clearly displayed selector wheels covering up to 99p and the machine is fitted with ascending and descending locking maximum power rating (than more from Royal-Versapost, 74 TTT Compagnie Group Bureau Upper Richmond Road, Putney, London SW15 (01-874 0404) 31501).

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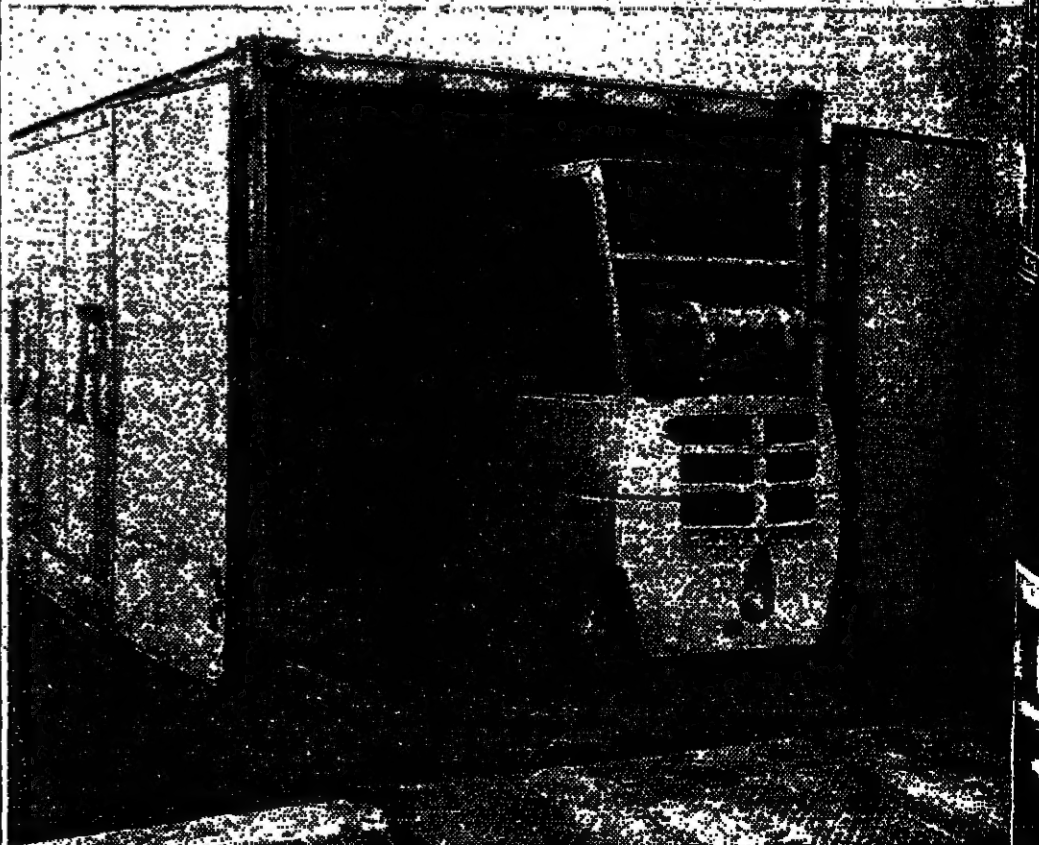
Sale to be at public auction on June 10, 1976, at 10.00 am at the main entrance of the United States Post Office, Customs House and Federal Court House located at Honolulu, Hawaii. The terms of the sale are ten per cent (10 per cent) of the sale price on the fall of the hammer with the balance due on confirmation of the sale by the court, all sums to be paid by cash or certified or cashier's check drawn to the order of the United States Treasurer on any U.S. commercial bank with no other method of payment accepted.

The M/S Mandarincore is a fully refrigerated Israeli flag vessel. Vessel Number M/S-188. She was built by A/S Bergen M/V in March 1968 at Bergen, Norway. She has a dead weight of 9,710/8,420, registered gross of 8,185/5,927, and net of 4,812/3,356 (GSD/OSD), with an overall length of 485 feet 0 inches, a breadth of 65 feet 10 inches and a molded depth of 41 feet 0 inches. Classed Lloyd's Register of Shipping UNCS -100 A1 + LMC + RMC, passed December 1975. Engines are 3 and 4 diesel of 11,500 bhp. Speed 19.5 knots loaded. Reefer capacity 415,510 cu. ft. reefer bale.

For information contact: The United States Marshal for the District of Hawaii, Federal Building, 335 Merchant Street, Honolulu, Hawaii 96813 - Telephone (808) 546-2160

Case, Kay, Clause and Lynch, Attorneys, 1100 First Hawaiian Bank Building, Honolulu, Hawaii - Telephone (808) 536-7261

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The Executive's World

EDITED BY JOHN ELLIOTT

Christian Tyler explains the EEC's worker director plans and puts them into a U.K. context at a time when the Bullock Inquiry is examining industrial democracy

Europe divided on participation

IT HAS BECOME the conventional wisdom of politicians and bureaucrats in many Western European countries that worker participation will lead to orderly labour relations and to industrial stability. But there is little agreement within the EEC as to what worker participation should look like in practice.

In Britain the numerous strands of this controversial debate are being presented in evidence to the Bullock Commission on industrial democracy. What Bullock has to say when it reports next winter about the role of workers in the running of private companies in this country could therefore have an important influence on the shaping of a European policy—specifically, on the plans of civil servants in the Brussels headquarters of the EEC Commission and on the decisions of the Common Market Ministers.

Euro-companies

This is because the EEC institutions in Brussels are still grappling with the problems of devising worker participation policies both for Euro-companies and for the rest of industry and commerce in the Common Market.

Britain's membership of the EEC has in a sense complicated this discussion and it could even hold up the progress already made in Brussels towards creating a formal frame-

work for worker representation in all nine member States. Along with the French and the Italians, some British trade unionists (though not the TUC itself) are far from convinced of the need to institutionalise their already considerable bargaining power. The CBI has also voiced many strong reservations.

In Brussels the argument for creating worker directors to sit on supervisory company Boards starts with the need for a common foreign policy, which it is in the private sector. What there is greater internal economic and monetary harmony. The EEC is still far from achieving such harmony, which in turn is partly due to the lack of industrial stability. This stability can only be secured with the co-operation of employees—hence the need for employee participation.

From this standpoint a proposed European framework for industrial democracy has been embodied in two main EEC policy documents: a so-called fifth draft directive of 1972, now the subject of a "green" paper issued last November, and an amended proposal of 1975 for a "European company" statute. Of the two, the draft directive and its green paper will ultimately have the wider importance but at present it is not so advanced as the statute.

The European Parliament has only just begun what could be a year-long discussion on it and already made in Brussels towards creating a formal frame-



Mr. Finn Olav Gundelach, of Denmark, the EEC Commissioner responsible for worker participation

tion will be on the verge of re-forming. That puts any introduction forward to at least 1978, and possibly to 1980.

The 1972 draft directive called for a two-tier company structure with worker representatives on a top-level supervisory Board. But it was to be left to individual countries to decide what proportion of seats the workers should hold and how they should be elected—for instance, whether they were to come from trade union members only or from the company's labour force at large.

The green paper broke new ground by proposing that there should be some kind of transitional arrangements—including single tier boards with or without workers sitting on them—that would allow countries to move gradually towards what will ultimately be a compulsory framework for the Nine member states. But it did not budge on the primary aim of an ultimately binding system.

The paper also reflected well-known trade union anxieties by stressing that the appointment of worker directors should not limit the scope of traditional collective bargaining. At the same time it underlined the point that collective bargaining usually takes place after management has made its decisions. The point of worker-directors is that they would be in at the policy-making stage.

Whatever finally emerges from this directive will probably have a far greater impact across the EEC than the proposals for the Euro-company statute which are optional in that no concern can be forced to turn itself into a Euro company.

The statute is, however, the further advanced, having been discussed by the European Parliament in 1974. Last year the Commission reconsidered its ideas which it had hoped would be implemented this year.

But partly because of lingering objections in principle from some countries—Britain among them—and partly because of the international economic crisis, Commission spokesmen now hold out little prospect of EEC Ministers adopting the policy so quickly.

Following debates in the European Parliament last week illustrate dramatically the reluctance of Europe to come to terms with commercial bribery following the withdrawal in the U.S. of the traditional confidentiality accorded to relations between big business and governments. Several European Deputies, including Mr. Michael Stewart, the former U.K. Foreign Secretary, pressed for the creation of an EEC committee which would scrutinise multinational companies in Europe in the same way in which Senator Church's committee of Lockheed fame does on the other side of the Atlantic.

All workers

Election of the worker directors would be from the ranks of all the company's workers, although trade unions could put up their own candidates. This cuts across the union-only model espoused by the British TUC, as well as the 50-50 split of workers and management on the Board that the TUC wants.

The Strasbourg model has the backing of the European Trade Union Confederation, whose voice is increasingly heard inside EEC institutions, but has been condemned by industry. Only last week, however, a group of leading British Conservative MPs broke new ground by backing the Euro-company.

The Euro-company statute also calls for the creation of Europe-wide works councils within companies which must be reported, at least in some countries, and everywhere politicians' careers can be ruined when it emerges that they have taken money.

Until now all these rules had to be feared only by small operators. Big business had too much at stake to risk disclosures concerning the powerful or influential. The armaments industry, in particular, always had a "code of conduct" of its own.

In France commissions paid by exporters range between 5 and 20 per cent of sales and this can provide plenty of scope for illicit payments by the agent. Within France, disclosure of political contributions is not required, and the French Communist Party has been benefiting from this no less than the other parties. Bribing officials and private employees is an offence, but enforcement is lax, to say the least. Moreover, in the

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The reaction of M. Albert Borschette, the EEC Commissioner for Competition was negative and indignant. He saw the problem to be entirely within the area of criminal law of member states. He did not see how competition rules of EEC could be applied.

Penal codes

All European countries provide in their penal codes for severe punishment of those who offer or solicit bribes. It is an offence for an outsider to pay an official for performing his duties, and an even more serious offence to pay him for abusing his powers. Contributions to the funds of political parties must be reported, at least in some countries, and everywhere politicians' careers can be ruined when it emerges that they have taken money.

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Fresh attitudes on bribery

BY A. H. HERMANN

family-dominated relations of a wily executive corrupting between Government and big business, there is no need to resort to such crude means as paying money. Promotion and prospects of lucrative retirement jobs in industry have always been the favourite method of influencing civil servants on the Continent.

While France sticks to its *savoir faire* and the new wave of U.S. puritanism has not led to more than raised eyebrows, Italy has been thrown into a turmoil of passions. The Press is ablaze and there have been several casualties among public figures, including a former Minister of Defence, a former air-force chief now in prison, and the leader of the Social Democratic Party, now dismissed.

In the past, Italian anti-bribery laws have not been enforced, at least where it matters. But now the business community has another worry because law firms, through which illicit or political payments have usually been channelled, are becoming more cautious.

In contrast with developments south of the Alps, Germany remains soberly efficient and unruffled. Relations between political parties and industry have always been close and political parties can obtain donations from domestic or foreign companies legally as long as they disclose single payments over DM20,000 (£4,800).

When donations are split in smaller sums or passed through intermediaries no disclosure is necessary. The need to make pay-offs in order to get orders abroad is accepted and German tax officials are only trying to determine whether bribes are accepted business practices and therefore deductible from profits of the paying German company.

Those experienced in the art know that there are countries where one can avoid becoming involved only by getting out of business. The crux of the matter is not so much whether to pay or not to pay, but how to make sure that the payments are not more than absolutely necessary. The popular image it to tackle.

Confidentiality

The end of confidentiality in relations between companies on the one hand and governments and their members and officials on the other will necessitate radical changes in the selling methods of large companies and their chief worry at present is that the competitor will be more daring or as they prefer to say "less ethical." They feel the need to get together and compare notes.

The need for new solutions has led to the mushrooming of international committees. A commission under the chairmanship of Lord Shawcross has been established by the International Chamber of Commerce and had its first procedural session on April 23. It will take about a year to report. The problem is also on the agenda of various international bodies, considering "codes of conduct" for multinationals such as the OECD and the UN.

All these bodies are mostly talking shops. But more effective action is likely to come from the European Community which has in its competition rules an enforcement mechanism readily available for safeguarding any policy adopted by the Nine. The Community has however not yet realised that here is a major task for it to tackle.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Possession of a warehouse

In a reply under Agricultural tenancy on March 17 to an inquirer who had let pasture land at an annual rent of £100 on a six-monthly basis, you wrote that as the tenancy is not for periods of less than a year, the tenant would have protection from eviction. I found this difficult to understand and wonder whether the advice I had received was sound. If I let a warehouse for a term of not more than six months and without a clause for renewal, I

could be sure of obtaining possession. Is this correct? The land in question was subject to the special provisions of the Agricultural Holdings Act. The advice which you have received is sound. A letting for business purposes will not fall within the protection of Part II of the Landlord and Tenant Act if it is for a period not exceeding six months and the tenant is not permitted to remain as a tenant beyond his term.

Commodity deal tax
I brought 25 tonnes of copper wire bars a year ago and still

hold this. Can you tell me as to how my profits are treated, as earned income or by capital gains tax?

You do not give us much to go on, but the likelihood is that the purchase and eventual sale of copper wire bars (for which we presume you have no use) will be regarded as an adventure in the nature of trade, so that any profit will be taxable as income, not necessarily as earned income.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Two tiers

Initially the Commission proposed a two-tier structure giving worker directors a third of the seats on the supervisory Board, while shareholders would command the rest. European industry said this went too far but the unions insisted that it did not go far enough and suggested instead that one-third of the directors should represent outside interests.

Two tiers

Whether Britain, with perhaps the least-developed formal worker representation in Europe but probably the strongest collective bargaining, decides to follow, could depend largely on what Lord Bullock and his committee of inquiry recommend to Parliament next winter.

We're expanding.

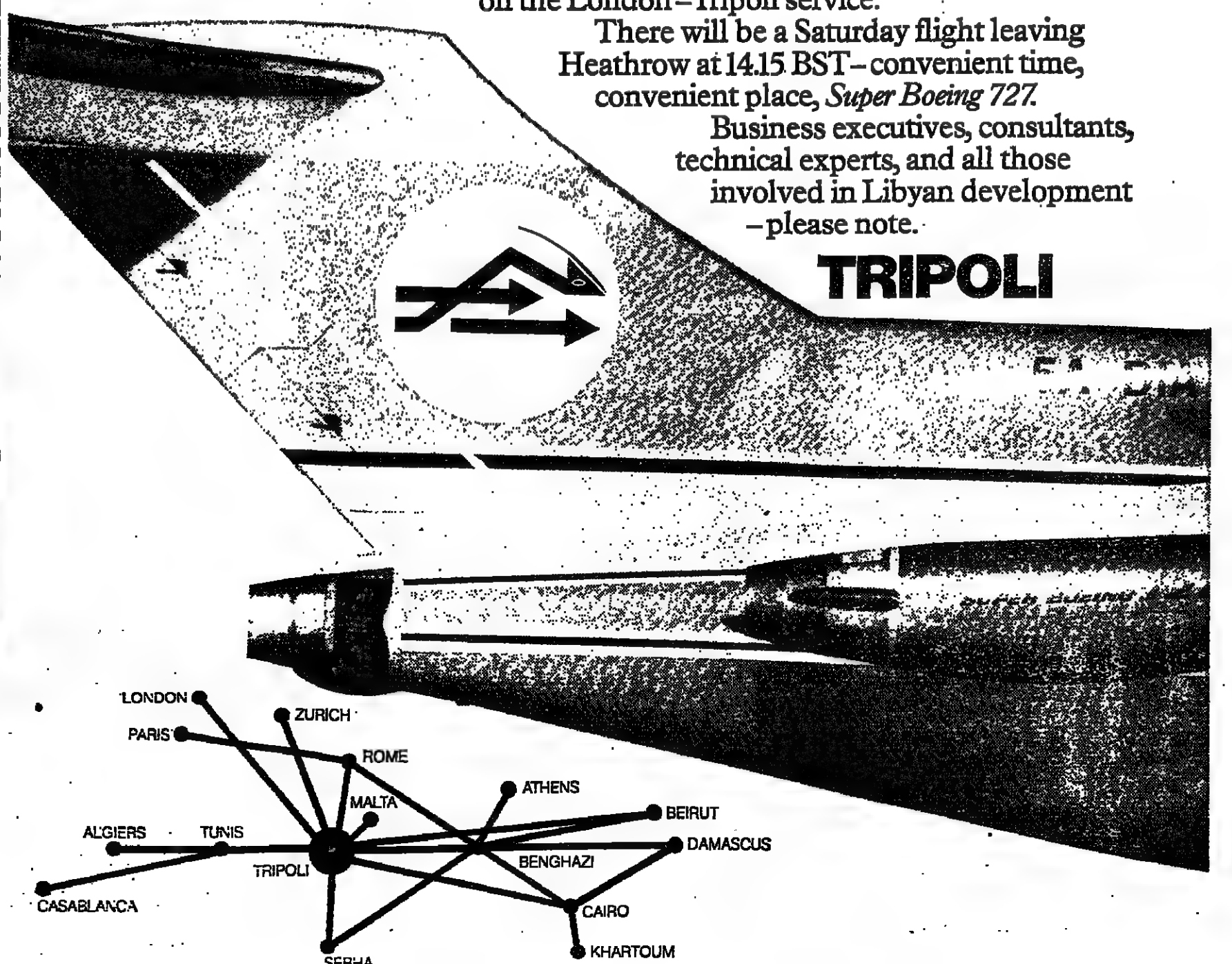
LONDON

From June 1 we're increasing our frequency on the London-Tripoli service.

There will be a Saturday flight leaving Heathrow at 14.15 BST—convenient time, convenient place, *Super Boeing 727*.

Business executives, consultants, technical experts, and all those involved in Libyan development—please note.

TRIPOLI



Here is our International System. New developments include Zurich (a new destination) and an increased frequency to Athens.

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LIBYAN ARAB AIRLINES



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W. Mallinson upsurge to £5.17m: rights issue

INTERNATIONAL timber merchants, etc. William Mallinson and Denny Mott, reports an upsurge in pre-tax profit from £3.6m to £5.17m for 1975, against £1.7m, at half-way, and announces a one-for-three rights issue at 35p per share raising £3.9m.

External sales for the year expanded from £120.4m to £134.7m. Basic earnings per share increased from 3.44p to 3.55p and from 4.5p to 3.45p fully adjusted. A final dividend of 1.175p lifts the total from 1.725p to a maximum permitted 1.755p net. The directors forecast a total of 2.5p for the current year on the increased capital.

It is not possible to forecast profits at present but the turnover for the first four months is in line with budgeted expectations, and the directors are "reasonably optimistic" for the year.

The new chairman, Sir Frederick Catherwood, says 1975 as a difficult year which opened with stocks still high in the U.K. and importer, merchant and consumer level.

However, reduction in the U.K. of stocks and overdrifts took place steadily over the year, but initially at a slower pace than

and payment in full is 2 p.m. on June 11.

See Lex

Ellis & Goldstein growth

The results of Ellis & Goldstein (Holdings) in 1975-76 emphasise the continuing importance of the dual basis of marketing and show the growing value of the group's sales abroad, the chairman Mr. D. Cannon says in his annual report.

Export growth continues in the early months of the current year, says.

While extending in countries where the group is already represented, directors are working towards being established in others, so as to expand the volume and value of exports.

Current trading continues to be satisfactory but it is too early to forecast either the first half year's trading or to estimate how the autumn collections will ultimately sell.

As known, for the 12 months to January 31, 1975, group profit was £2.1m, on sales of £28.7m, compared with a profit of £2.4m, on sales of £26.6m, in the previous year. The dividend is 1.53p—the maximum permitted compared with 1.43p.

The values of sales increased and seasonal stocks were satisfactorily realised. Production capacity was utilised to the full, says the chairman.

During the year £31,000 was invested in fixed assets and since the end of the year the long lease of premises adjacent to the knitwear factory in Rugby was purchased. In recent weeks directors decided to extend the light clothing factory in North Shields.

The group continues to enjoy the benefit which arises from stock appreciation relief. While the increase in stock value was small some £70,000 which would otherwise have been paid in tax has been retained for use.

At January 31 total due from debtors was higher by £2,02m, which reflects in part unusually high retail sales during the last two months of the year.

Meeting, Barrington House, E.C. 4, June 10 at 2.00pm

Statement Page 6

Debenhams tops forecast

AGAINST A forecast of not less than £13m group pre-tax profit, Debenhams store and supermarket operators, Debenhams, announced to £13.51m for the year to January 31, 1976, compared with the depressed £3.31m for the previous year. At half-way profit was up from £12,000 to £24,000.

Sales, including tax, for the year expanded from £260.74m to £319.5m, and excluding tax they were up from £246.3m to £298.94m. And trading during the current financial year to date shows an improvement over 1975. In the department store division turnover for the 15 weeks to May 17, 1976, was 16.8 per cent above the comparable period in the previous year, even though this included the exceptionally high sales of consumer durables during the weeks immediately following the 1975 April Budget.

Other parts of the group, including the food division, show satisfactory increases and the sales of the group currently show a cumulative increase of 15.2 per cent over last year's comparable figures, the directors state.

Earnings per 25p share increased from 7.3p to 8p and a net final dividend of 2.57p makes a maximum permitted total of 3.57p against 3.25p previously. A final of not less than the previous year's 2.27p was forecast—total dividend £175,942.

The year's profit is after interest of £133,724 (£473,325), but before tax of £266,054 against £400,719. There are extraordinary credits of £12,094 (£39,096).

The directors say that profit for March this year showed a slight increase over that for March 1975, although supplies of Levland vehicles were particularly difficult and it is hoped that the various discounts which bedevilled production will lessen in the year ahead.

The results of the battles against inflation appear to be moving in the right direction and if they continue going industry more confidence, they are hopeful that for the year ending next February they will show an increase in profit.

The group distributes vehicles, agricultural tractors and implements and bulk fuel oil.

BAINBRIDGE

Sainsbury Bros. (Engineers) has changed its name to Bainbridge Engineering.

See Lex

Short-time ends at A.B. Electronic

Short-time working for many employees at A.B. Electronic Components has been progressively discontinued in recent weeks and the directors report that all departments are again operating normally.

Demand for the company's products has improved and sales for the current year are now

Furness Withy down by £10.58m. to £14.14m.

GROUP PROFIT, before tax, of Provision for funding supplementary allowances to pensioners and dependants £240 (nil), and Provision for restructuring group U.K. pension schemes nil (£2,000).

The share of associates includes an additional sum of £482,000 before tax resulting from a change in the accounting date of a principal associate; those for 1974 included £1,900,000, substantially related to earlier years, under rights attaching to a special class of shares.

Taxation comprised (£000s omitted):—U.K. £450 (£482), Overseas £738 (£1,513), Transfer to deferred tax £348 (£340). Tax on share of profits of principal associates £258 (£257), less Tax recoveries and adjustments of previous years £185 (£454).

See Lex

ABM lifts market share

Mr. Richard Carr, chairman of Associated Biscuit Manufacturers, told the AGM that since the beginning of the year the company had increased its market share, against a background of generally higher U.K. biscuit consumption.

Exports also showed "a very substantial increase" over last year, while Canada and India had made "very satisfactory progress".

The likelihood of a sharper rise than originally forecast in some commodity prices in the latter half of the year would however exert some pressure on margins, he warned.

More capital for Allied Business

Allied Business Systems, manufacturers of Multibus business computer systems, has increased its authorised and issued share capital to £1m by the issue of 758,048 £1 Ordinary shares at par for cash.

Managing director John Blagden said this would provide further working capital and stability for continued operations £481 (£812), ABS in the light of the number £18,000.

See Lex

BICC sees signs of upturn

MR. WILLIAM FRASER, chairman of British Insulated Callender's Cables, said yesterday that there were signs of a recovery in certain areas of the company's activities. But it was still too difficult to say whether that recovery would be sustained.

The company would not be completely certain of the extent of the upturn until the second half of 1976, he said after the AGM.

Mr. Fraser explained that the company suffered from a time-lag between the general upturn and recovery of demand for its own products.

This time-lag seems to be getting longer, he said. The signs of recovery varied from product to product and country to country and the chairman felt it would be misleading to be more specific.

Ayrshire Metal downturn

A fall in turnover from £9.40m. to £8.61m, and pre-tax profits down from £494,000 to £392,000 are reported by Ayrshire Metal Products for 1975.

The net final dividend is 1.0837p making a total of 2.5387p compared with 2.625p previously.

After tax of £206,000 (£227,000) net profit is £186,000 (£237,000). There are extraordinary credits of £165,000 (£132,000)—provision for closure costs of Lothian Structural Developments no longer required. £150,000 and a surplus on disposal of plant of £15,000. Structural loss is of £18,000.

ANGLOVAAL GROUP

DECLARATION OF PREFERENCE DIVIDENDS

DIVIDENDS HAVE BEEN DECLARED payable to holders of preference shares registered in the books of the undermentioned companies at the close of business on 4 June 1976.

The dividends are declared in the currency of the Republic of South Africa. Payments from London will be made in United Kingdom currency and the date for determining the rate of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 7 June 1976, or such other date as set out in the conditions subject to which the dividends are paid. These conditions can be inspected at the registered office or office of the London Secretaries of the companies.

WARRANTS in payment of the dividends will be posted on or about 30 June 1976.

THE TRANSFER BOOKS AND REGISTERS OF MEMBERS of the companies will be closed from 5 to 11 June 1976, both days inclusive.

All companies mentioned are incorporated in the Republic of South Africa.

By Order of the Boards

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT COMPANY, LIMITED

Secretaries: Per: E. G. D. GORDON

Registered Office: Anglovaal House, 56 Main Street, Johannesburg

London Secretaries: Anglo-Transvaal Trustees Limited, 295 Regent Street, London W1R 8ST, 18th May 1976

Table with 4 columns: Name of Company, Class of share, Dividend Number, Amount per share

Anglo-Transvaal Consolidated Investment Company, Limited

Anglo-Transvaal Industries Limited

Middle Wharfedale (Western Area) Limited

Table with 4 columns: Name of Company, Class of share, Dividend Number, Amount per share

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Anglo-Transvaal Consolidated Investment Company, Limited

Anglo-Transvaal Industries Limited

Middle Wharfedale (Western Area) Limited

To-day's Company Meetings

Ball and Collins (Oil and Gas), 12, Lower Belgrave Street, S.W. 12, Baxters Felt, Walford Hotel, W.C. 12, Boddingtons Breweries, Manchester, 12, Brown Bros., Abercrombie Rooms, E.C. 11, 11.30, Cape Industries, Grosvenor House, W. 12, Cohen Bros. (Electrical), Manchester, 12, Danish Bacon, Hyde Park Hotel, S.W. 11, Equitable Life Assurance, 4, Coleman Street, E.C. 12.30, Harrison and Sons, Stationers' Hall, E.C. 12, Hepworth Ceramic, Charing Cross Hotel, W.C. 12, Jerome (S.) and Sons, Bramhope, 12.30, Jones (A. A.) and Shipman, Leicester, 2.15, Jova Investments, 44, Bloomsbury Square, W.C. 12.15, Legal and General, 11, Queen Victoria Street, E.C. 2.30, Lex Service, 5, Burlington Gardens, W. 12, London United Investments, Connaught Rooms, W.C. 12, Municipal Properties, Tonbridge, Kent, 12.30, Provident Life Association of London, Abercrombie Rooms, E.C. 12, Quick (W. and J.), Manchester, 11, Rio Tinto-Zinc, 16-20, Graven Street, W.C. 11.30, Rockware, Winchester House, E.C. 3, Slough Estates, Savoy Hotel, W.C. 2.30, Sun Alliance, Bartholomew Lane, E.C. 12.30.

Continental Union Trust Company Limited.

ear to 31st March, 1976.

Capital Goods 13.0%, Consumer Durables 15.7%, Consumer Services 24.2%, Financials 2.7%, Others 11.8%, Fixed Interest 1.3%

Geographical Distribution of Investments

U.K. 67%, Nth America 22.2%, Europe 16.6%, Asia 7.4%, Other Countries 5.8%

Table with 4 columns: Total assets (£'000), Net assets per Ordinary Share, Gross Income (£'000), Gross Dividends per Share

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1973/74 MONEY RATES

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1975 MONEY RATES & MONEY NEWS

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1976 MONEY RATES, MONEY NEWS & SECURITIES RATES

Table with 4 columns: 1976

Crest Intl. gets creditors consent for reconstruction

THE BOARD of Crest International, subject to the approval of shareholders, has now obtained the consent of its principal creditors to a scheme of reconstruction.

If implemented, the scheme provides some prospects for recovery to the unsecured creditors and shareholders of the group in its reconstructed form, says the chairman of Crest, Mr. Lionel Casper.

The accounts of Crest International for the 18 months ended March 31, 1975, published in February, showed an attributable loss of £1.4m. and a shareholders' deficiency of £230,000. The loss was struck after providing £705,345 for the fall in value of investments, about £423,000 of which related to Ashbourne Investments—Crest was one of the original members of the consortium which made an abortive bid for Ashbourne in 1973.

The terms of the scheme are as follows: trade creditors totalling £1,478 for amounts not exceeding £1,000 will be paid in full, as will amounts due to the Inland Revenue and the Department of Social Security totalling £12,946. In addition, Guarantee London Trust, which has lent a subsidiary of Crest £21,820 on overdraft, will require no capital repayments for two years and will charge interest of 10 per cent, which is to be rolled up.

Mr. Bernard Glazer, a holder of £218,222 Unsecured Loan (and until the recent agreed bid by Crest for the company, a major direct shareholder in Ashbourne), Mr. Gerald Lubner, Amphion Investments and "a professional firm" will cancel the amounts due to them by Crest. In return, every £1 nominal in debt, they will receive 10 New Preferred Ordinary shares in Crest.

As for the holders of the £218,188 10 per cent Unsecured Loan, 10 per cent of the £218,188 in Crest Corporate Guarantee Trust (now in liquidation) will accept cancellation of its £218,188 holding in return for the cancellation of an intercompany debt. Holders of the balance of £196,390 will accept the same terms as the unsecured creditors.

Dutton Forshaw

SUBJECT to any Government restrictive measures, the overall picture of the Dutton-Forshaw group is most encouraging, says the chairman, Mr. R. P. Hockin. Management accounts for the first quarter of 1976 show "very much higher profits" than the corresponding 1975 period, and the chairman looks forward with every confidence to the future.

Sales of used cars continue to

increase and the profitable expansion of the service and parts departments continues. Also, the sales of agricultural machinery companies are buoyant. Plans, already announced, offer "exciting prospects" of expansion and profitability over the next few years and will help to even out the more cyclical nature of the motor trade, says Mr. Hockin.

As known group pre-tax profit for 1975 was £1,366m. (£1,024m.) and the dividend 1.75p (1.73875p) net.

Despite the purchase of loan stock, overdrafts decreased by £2,850m. to £2,810m. and net current assets increased by nearly £2,750m. to £2,810m. The balance sheet has been strengthened by a reduction of some £1.5m. in borrowings, and a further cut is anticipated this year.

Slowdown at Owen Owen

During the first weeks of the new trading year, the volume of business at department stores Owen Owen has been running below 1975 levels, even though sales by value remains ahead and this must have an effect on first half results, the chairman, Mr. J. A. North, says.

But comparison with the earlier exceptionally high spending months of last year could be a misleading pointer to the full year results, says the chairman. From May onwards, the comparison will be much less extreme and the group can expect the present high level of percentage cost increases to abate.

All efforts are directed towards maintaining the group's progress and as the new stores gather momentum, they should begin to realise their profit potential. As reported on April 9, pre-tax profits for the year ended January 31, 1976 rose from £2,180m. to £2,530m. and the dividend is a maximum permitted 2.175p (2.2527p).

While the established stores made an overall 21 per cent increase in profits, the greatest gain in trading performance came from the three west country stores in Bath, Weston-super-Mare and Taunton.

All central merchandise divisions made good progress with the household and consumer durable sections being particularly impressive.

The stores in the north west region still contribute more than half the profits earned in the U.K. and the directors have continually been looking for opportunities to diversify the business into other parts of the country.

There has been a healthy improvement in liquidity, says the chairman.

Statement Page 14

Secombe Marshall

After tax and transfer to reserve for contingencies, profit of £111,000 and bankers' Secombe Marshall and Camplin declined from £433,037 to £339,433 in the year April 30, 1976.

Final dividend of 1975, 7.821p net making 13.821p, against 12.705p equivalent, the maximum allowed. Payments absorb £132,031 (£139,700).

Earnings in the first half were smaller than the previous comparable period.

1975-76 1974-75

Net profit	249,433	249,433
Dividend	120,000	120,000
Forward	200,245	200,245

* After tax and transfer to reserves for contingencies.

Lombard Australia

For the six months ended March 31, 1976, gross revenue of hire purchase and finance group Lombard Australia increased from £1,435m. to £1,519m. and pre-tax profit rose up from £279,000 to £291,000.

However, at the attributable level, the group incurred a loss of £1,435m. (£288,000 profit) after debiting £2,070,000 loss and £2,070,000 loss on valuation of foreign currency loans.

The group is a subsidiary of the National Westminster Bank.

RESULTS AND ACCOUNTS IN BRIEF

ABERDEEN INVESTMENTS—Final dividend 1.15p (1.15p). Pre-tax revenue for year to March 31, 1976, £1,364m. (£1,441m.) after expenses and before interest, £1,364m. (£1,441m.).

ASBESTOS—Final dividend 1.15p (1.15p). Pre-tax revenue for year to March 31, 1976, £1,364m. (£1,441m.) after expenses and before interest, £1,364m. (£1,441m.).

BIDS AND DEALS

Sun Life offer 50p below value says Artagen

IN AN increasingly acrimonious bid battle, Artagen Properties is suggesting that its shares are worth at least 125p against the offer from Sun Life Assurance Society of 75p.

A valuation of Artagen's portfolio has thrown up a 16 per cent increase since the end of last year. The company, freed from dividend restraint by the bid, is also proposing a 70 per cent increase in maintenance dividend.

Referring to some of Sun Life's arguments as "wrongly based and irrelevant," Artagen claims that the insurance company's only aim in making the bid is to free itself from an agreement, made early in 1975, to provide £50m. of cheap long-term finance to the property company.

"It is no doubt very important to Sun Life to cancel this obligation," writes David Webb, chairman of Artagen, in a letter to shareholders. "It is crucial to us that it should remain. Were Sun Life to acquire our shares on the terms proposed, they would be profiting directly at your expense."

Sun Life has claimed that Artagen broke the spirit of the agreement with some of the £150m. so far drawn down. The property company denies this, saying that if Sun Life had intended the funds' use to be restricted, the original agreement would have specified this.

In preparing its defence, Artagen has placed a value on its agreement with Sun Life, claiming that the 125p net asset value per share rising over the term from 75p to 125p, would be worth a total of £19m. over market rates should the full £40m. be advanced.

This accounts for 34p of the claimed 125p net asset value per share. The other increase of 12p is accounted for by an increase in property values since last December.

James Lang Wootton, the chartered surveyor responsible for the two valuations, says that the new total for Artagen's portfolio of £74.8m. takes into account a "significant improvement" in the property investment market, particularly in the U.K. It singles out reduced investment yields on reversionary properties where rent reviews fall within a five to seven-year period.

James Lang Wootton is thought to have seen a 9 to 10 per cent improvement in U.K. values within the two-year period, with the rest of Artagen's increased value coming from acquisitions and completions.

The letter to shareholders breaks new ground in being the first written under the new Take-over Code. Includes the independent surveyor's assessment of future rental increases. Artagen's present income of £2.5m. is expected to rise to nearly £5m. by 1981 on existing investments.

Sun Life, which acquired 35 per cent of Artagen's shares at the time of the funding agreement and has since increased its stake to 50 per cent, is expected to answer Artagen's defence document shortly.

See Lex

DERBY OFFERS FOR REST OF C. WADE

Terms have been agreed whereby Derby and Co. is to make offers to acquire the capital of Charles Wade and Co. not already owned.

The price is 10p for every Ordinary and for every 20p Cumulative Preference share. Derby already owns 635,000 Ordinary (45.2 per cent.) and 3,780,905 "B" (75.9 per cent.); this in aggregate represents a holding of 80.1 per cent. of the combined equity capital.

The offers are subject to the normal conditions contained in the City Code on Take-overs and Mergers.

The directors (other than those representing Derby who have not participated in the company's behalf in the consideration of the offer) have been advised by Gresham Trust and will recommend all holders to accept.

Wade's preliminary results show that net taxed profits fell from £309,308 to £271,191 in 1975.

J. WOODHEAD—James Woodhead and Sons has bought Shaft Hydraulics of Glasgow. Consideration was £48,000 cash and 1,000 Ordinary shares. The company will also issue its 100,000 shares (£1.00 each) for not more than £20,000 depending on Shaft's pre-tax profit for the year to March 31, 1977.

Wilmot Breeden

	1975	1974
Sales	\$55.22 million	\$58.56 million
Pre-tax profit	\$2.82 million	\$1.78 million
Earnings per share	5.80p	3.50p
Dividend	2.45p	1.45p

Strength of overseas earnings

In both 1974 and 1975 overseas earnings represented 76.4% of group profits before interest. In fact in only one year in the last six have overseas earnings been below 50% of group profits.

Improved outlook for UK

In his review last month the chairman reported that, with the very large reductions in operating costs which have been achieved together with an improvement in demand during the first quarter of the current year over our budget forecast, this investment was profitable. Although it was not known how long the new rate of demand would last, the situation was viewed with rather more optimism. Indeed if it kept up even for a few months, it would greatly improve the outlook for 1976. The situation now is that the improvement in demand has been maintained during the month of April.

Dividends

In his review last year the chairman said that the board wished to see a return to the normal level of dividends as soon as possible. The evidence showed that the company is now making good progress towards recovery, and accordingly a dividend of 2.45p per share was recommended and approved.

Copies of the Reports and Accounts can be obtained from the Secretary
Wilmot Breeden (Holdings) Limited
PO Box 173, Goodman Street, Birmingham B1 2SX

ELLIS & GOLDSTEIN (HOLDINGS) LIMITED

1976 RESULTS

	1976	1975
Turnover	£28,764,959	£28,847,871
Profits before tax	£2,129,532	£2,438,150
Taxation	£1,146,085	£1,319,906
Total ordinary dividends	1.55p	1.431p
Earnings per stock unit	4.3p	4.7p

Points from the statement by the chairman
Mr David Cannon

* The value of sales has increased and seasonal stocks have been satisfactorily realised. The lower rate of profit in the second half of this year reflects the changing pattern of demand.

* The results emphasise the continuing importance of the wide basis of our marketing and show the growing value of sales abroad where retail sales, at £1,401,378 increased by 63% and are up more than 200% compared with two years ago.

* During the year £571,604 was spent on the development, replenishment and modernisation of both productive and distributive resources. In recent weeks we have decided to extend our light clothing factory in North Shields.

* In the last two years, stock appreciation relief has deferred the payment of £0.8m of tax. The Group balance sheet shows our inherent strength and cash at the end of the year stood at £1.0m.

* As to the longer term future, there is still considerable growth to come both from internal resources and exports. However, benefit could flow from the acquisition of other enterprises which complement our own; we are ready to take advantage of this kind of expansion.

* Our Autumn 1976 collections have been warmly received but it is too early to attempt any forecasts. I am confident we are offering the right balance of merchandise to secure the necessary volume of business to fully utilise our productive resources.



Trident House



Paisley

an imposing new air-conditioned office building adjacent to Glasgow Airport.

55,000sq.ft. To Let

JONES LANG WOOLTON Chartered Surveyors

110 West George Street, Glasgow G2 1QA. Tel. 041-332 9231

FIDELITY RADIO

Preliminary Results for year ending 31st March 1976

	1976	1975
Turnover	£'000	£'000
	13,091	13,278
Trading Profit before Taxation	1,315	1,459
Taxation	681	786
Profit after Taxation	634	673
Extraordinary Item	—	663
Profit after Taxation and Extraordinary Item	634	1,336
Dividends	357	322
	277	1,014
Earnings per share before Extraordinary Item	7.49p	8.39p

The reduction in trading has been the direct result of the combination of two factors, namely the imposition of the higher rate of VAT of 25 per cent on our products, and the inability of our suppliers to satisfy our requirements of materials at the height of the season.

The proposed final dividend will be 3.168 pence per share which, together with the interim dividend of 1.053 pence, makes a total of 4.221 pence per share (1975 - 3.956 pence per share), corresponding to a gross of 64.94% (1975 - 58.05%). This is the maximum dividend permitted under the Government's policy on dividends.

FIDELITY RADIO LIMITED
Victoria Road, London NW10 6ND
Telephone: 01-965 8771 Telex: 923355

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Deutsche Bank results show hard 1976 going

BY NICHOLAS COLCHESTER

BONN, May 18.

PRELIMINARY results from Deutsche Bank for the first four months of its business year suggest that 1975 was a vintage year for West German banking that will not be repeated in 1976.

Chief executive Franz Heinrich Ulrich told the shareholders' annual meeting that Deutsche Bank's results for the first four months of 1976 were "hardly better" than those of 1975. The bank's operating profit for the period was 13.6 per cent, compared with 13.6 per cent in 1975. The bank's operating profit for the first four months of 1976 was 13.6 per cent, compared with 13.6 per cent in 1975.



Franz Heinrich Ulrich

Bank's operating profit in the period to the end of April was not quite one-third of the figure achieved in the previous year. Profits were adversely affected by falling interest rate margins, a declining business volume, and rising operating costs.

NK interim earnings advance

BY WILLIAM DUFFLORCE

STOCKHOLM, May 18.

NK/TURITZ, the Swedish retail chain, which is the subject of a takeover bid from its rival Ahlen och Holm, reports improved earnings for the first half year to March 30. The pre-tax profit is up from Kr.12.1m. to Kr.26.1m. on an unexpectedly high 14 per cent growth in sales to Kr.1.9bn.

Ahlen, which needs 80 per cent of the NK stock to realise a full merger, has received acceptance from holders of 54 per cent. Its offer expires on May 21 after three extensions of the acceptance period, and a hard core of shareholders with 12 per cent, may well hold out.

NK's interim improvement prompts managing director Erik Soederberg to forecast a 1976-78 result between break-even and a loss of Kr.10m. compared with a loss of Kr.32m. previously.

VNU sees growth in 1976

BY MICHAEL VAN OS

AMSTERDAM, May 18.

VNU, the leading Dutch publishing company, predicts an increase in profits this year but it cannot be more specific in view of the continuing economic uncertainties, the annual report appointing performance last year to 1975.

The company says that decline in second half returns was of such magnitude that only the newspaper sector managed to improve results. The company told a Press briefing here that it intends to reorganise its offset printing activities as soon as possible (resulting in a loss of 100-200 jobs), and that this sector—was the continuing economic uncertainty, the annual report appointing performance last year to 1975.

VNU Board member Mr. P. Emond said under-utilisation of capacity continued in the first few months of this year at the offset printing works. He added: "Exports are made extremely difficult by the high exchange rate of the guilder, the high wage levels in Holland and State subsidies to foreign printers."

OEMV reports turnover ahead by an eighth

BY PAUL LENDVAY

OEMV, the Austrian State oil corporation, reports a 13.6 per cent rise in turnover to Sch.6.8bn. (about £200m.), excluding petroleum tax, during January-April, compared to the same period last year. Announced this during the week-end, director-general Mr. Ludwig Bauer revealed that sales last year rose by 7.9 per cent to an all-time peak of Sch.19bn.

Schneider stakes may go to ITT

INTERNATIONAL Telephone and Telegraph Corp. (ITT) is considering purchasing from Schneider a stake in the French firm's telecommunications division.

ITT and Schneider are major stockholders in Schneider, an electronics firm employing 133 workers with 1975 turnover of Fr.1.9m, but which has been in deficit since 1974. Schneider's interest for ITT consists mainly in the advantages that ITT's marketing network could bring to the French firm, potentially more than doubling its sales, the sources said.

FUJI profits gain

FUJI PHOTO FILM Co. expects to report a 21 per cent increase in its non-consolidated net after-tax profit for the first half year ended April 30, at Y4,300m. against Y3,550m. for the preceding six months, a company spokesman said.

Gross sales will increase 8.3 per cent to Y107,000m. while profit before tax and special items will rise 47.1 per cent to Y3,500m. from Y2,350m. said the spokesman.

Kresge gains

S. S. Kresge reports net earnings of 85 cents a share for the 13 weeks to April 23 (16 cents), from total net earnings of \$42.9m. (\$19.5m.) on sales of \$1,683.1m. (\$1,348.6m.).

Max Factor chief

SAMUEL KALISH, president of Revlon International, has been named president and chief executive of Max Factor, one of the world's largest cosmetic and fragrance marketers. It was announced last night by David J. Mahoney, chairman and president of Norton Simon Inc., Max Factor's parent company.

Payments by J. C. Penney

DONALD SEIBERT, Chairman of J. C. Penney told the annual meeting that investigation by the company has uncovered certain foreign payments which might be considered improper, reports AP-DJ from New York.

Signal

WITH spring's arrival, Signal Corp. has stepped forward into the centre of the investment arena. Much of the attention centres on the company's mid-April joint tender offer with Gulf and Western Industries, Inc. for up to 6.4m. shares, or just over 22 per cent of Signal's stock.

Changing investment views

Under the original terms, Signal was to buy the first 2.5m. shares at \$42.50 a share, and the next 3.9m. shares at \$42.50 a share.

Signal

However, Signal stated that it had only received a total of 1.9m. shares, or practically no additional shares since the last statement of shares tendered. This means that so far there have been no shares tendered to G&W.

Signal

The original tender offer was worth \$20 a share, but this figure was recently reduced to \$19.775 a share to allow for a recent 2.3% decline in Signal's share price.

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Marine insurance imbroglio after changes in German law

BY A. H. HERMANN

BERLIN, May 18.

THE FEDERAL Insurance Control Office here will not be able to tolerate the refusal by the British Steamship Assurance Association to comply with the new German regulations concerning marine insurance. Sooner or later it will have to start legal proceedings against this corporate co-operative of British marine insurers.

The liberalisation of insurance rules and the creation of a single European insurance market has been one of the principal benefits which the City expected as compensation for other less attractive aspects of EEC harmonisation.

However, when giving effect to an EEC Council directive liberalising the establishment of insurers in other member countries, Germany, in fact, brought under Government control the marine insurance sector. Hitherto German shippers could place their business outside Germany without any interference by the Federal Insurance Office in Berlin.

Marine insurance had been brought under control by an act promulgated as a Christmas gift on December 24, 1975. The main purpose of this act was to define conditions

under which insurers from other EEC countries could establish branches in Germany. But it also changed the basic German insurance law by including marine risks in the list of insurance business which may be underwritten by foreign insurers, only if they establish branch offices in Germany.

Non-German EEC insurers were required by this act to apply for permission to establish a branch in Germany by April 30 and as long as they have done so they may continue to do business as usual until their application is assessed by the Berlin office.

This appears to be an infringement of article 62 of the EEC Treaty, which provides that member States must not make discriminatory business less free than it was at the time when the EEC Treaty was concluded.

American Reinsurance reports first quarter earnings of 54c

FINANCIAL TIMES REPORTER

AMERICAN REINSURANCE has reported first quarter 1976 net income of \$2.95m, or 54 cents per share, against \$2.77m, or 51 cents per share, for the first quarter of 1975.

Excluding capital gains, net income was \$1,929,000, or 35 cents per share, against a net loss of \$1.52m. Net investment income rose 23 per cent to \$6.77m.

The company noted that underwriting results continued to reflect the improvement which commenced in the third quarter of 1975. Results, however, were still less than satisfactory.

The combined ratio improved to 106.5 per cent from 1975's first quarter 118.8 per cent and fourth quarter 107.4 per cent.

Mr. James D. Koehn, the president, says: "An improvement in underwriting and liability was apparent during the first quarter, reflecting better loss experience in those lines."

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Kodak files counter-claims against Polaroid

ROCHESTER, N.Y., May 18.

EASTMAN Kodak said it has filed counterclaims against Polaroid Corporation alleging that Polaroid's patents on instant film and cameras are invalid and infringe on Kodak's patents.

The counter-claims were filed in the U.S. district court for the district of Massachusetts, in Boston.

Polaroid filed the suit on April 28 against Kodak alleging infringement of 10 Polaroid patents by Kodak's SX-70 camera and six related to SX-70 film.

Kodak, in answer to the suit, said the Polaroid patents are unenforceable because Polaroid failed to act with candour and to present fairly and properly to the U.S. patent and Trade-mark office relevant facts known to it which were material to the deliberations of the U.S. patent and trademark office.

Boliden demonstrate signs of recovery

BY WILLIAM DUFFLORCE

STOCKHOLM, May 18.

FIRST QUARTER results for Boliden suggest that the Swedish metals and chemicals concern is beginning to recover from its plunge into losses of Kr.32m. (£4m.) last year. Net sales for the first three months were down to Kr.509m. (£63.6m.) compared with Kr.689m. for the last quarter of 1975 but metal prices improved sufficiently to give trading profit of Kr.42m. against Kr.11m.

Pre-tax earnings were Kr.5.4m. compared with a loss of Kr.37m. for the fourth quarter. In the first quarter of 1976 Boliden earned Kr.44.3m. pre-tax on sales of Kr.550m. but prices tumbled during the second half of the year. The drop in turnover

between the first quarters in 1975 and 1976 was mainly from the ferrous subsidiary.

The interim report notes a "clear improvement" in a number of areas during the quarter of this year. Although they are still "unsatisfactory" they have broken the downward trend.

The concern ends its difficult evaluation future development but believes prices should remain steady on levels prevailing at the beginning of May. If this belief proves correct, the operating profit of around Kr.100m. (£12.5m.) for 1976 as a whole, forecast in the 1975 final accounts, should be realised.

KSH shows loss

BY MICHAEL VAN OS

AMSTERDAM, May 18.

A SUBSTANTIAL net loss of Fls.11.9m. over the first half of the year 1975-76 was revealed today by KSH, the major Dutch starch and foodstuffs manufacturer. The company said that the improvement of earnings in the foodstuffs sector had not been sufficient to offset losses in the starch sector.

KSH added that "only if prices and the product mix improve quickly, a loss in the second half of the financial year" would be avoided.

KSH said that the losses in the starch sector were attributed to the steep rise in raw material costs as a result of EEC regulations, the 20 per cent increase in the price of potatoes, and the 10 per cent increase in the price of wheat.

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W.I.C. Cart, Sons & Co.
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FT SHARE INFORMATION SERVICE

CANADIANS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

BUILDING INDUSTRY-Continued

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

DRAPERY AND STORES-Continued

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

ENGINEERING-Continued

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

BRITISH FUNDS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

FRANES AND HIRE PURCHASE

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

ELECTRICAL AND RADIO

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

CHEMICALS, PLASTICS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

BUILDING INDUSTRY, TIMBER & ROADS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

AMERICANS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

FOOD, GROCERIES, ETC.

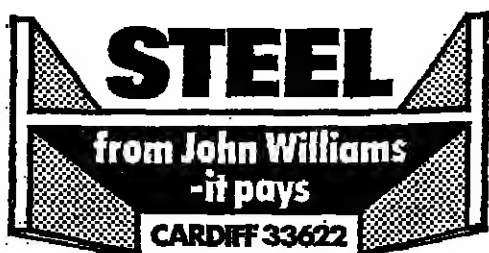
High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

HOTELS AND CATERERS

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

High	Low	Stock	Price	Div	Yield	Div	Yield
135	134	Bank of Montreal	134	1.00	7.41	1.00	7.41
135	134	Bank of Nova Scotia	134	1.00	7.41	1.00	7.41
135	134	Bank of Toronto	134	1.00	7.41	1.00	7.41
135	134	Bank of Victoria	134	1.00	7.41	1.00	7.41
135	134	Bank of Western Canada	134	1.00	7.41	1.00	7.41

MINES—Continued									
FAR WEST RAND									
1978	High	Low	Stock	Price	% Chg.	Br. Net	Cr.	Tr.	Yld.
710	200	190	Elmore 20c	480	+5	1010E	1.3	—	—
714	785	765	Bellfield 1c	987½	-12½	Q180E	1.4	10.0	—
715	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
716	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
717	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
718	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
719	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
720	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
721	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
722	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
723	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
724	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
725	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
726	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
727	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
728	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
729	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
730	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
731	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
732	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
733	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
734	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
735	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
736	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
737	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
738	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
739	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
740	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
741	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
742	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
743	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
744	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
745	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
746	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
747	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
748	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
749	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
750	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
751	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
752	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
753	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
754	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
755	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
756	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
757	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
758	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
759	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
760	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
761	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
762	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
763	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
764	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
765	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
766	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
767	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
768	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
769	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
770	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
771	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
772	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
773	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
774	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
775	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
776	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
777	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
778	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
779	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
780	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
781	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
782	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
783	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
784	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
785	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
786	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
787	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
788	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
789	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
790	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
791	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
792	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
793	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
794	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
795	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
796	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
797	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
798	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
799	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
800	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
801	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
802	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
803	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
804	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
805	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
806	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
807	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
808	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
809	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
810	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
811	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
812	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
813	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
814	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
815	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
816	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
817	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
818	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
819	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
820	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
821	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
822	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
823	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
824	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
825	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
826	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
827	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
828	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
829	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
830	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
831	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
832	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
833	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
834	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
835	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
836	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
837	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
838	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
839	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
840	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
841	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
842	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
843	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
844	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
845	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
846	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
847	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
848	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
849	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
850	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
851	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
852	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
853	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
854	130	125	Blackfoot 20c	142	-2	Q180E	1.4	10.0	—
855	130	125	Blackfoot 20c	14					



British £16m. ship order for Glasgow

BY JOHN WYLES, SHIPPING CORRESPONDENT

GOVERNMENT hopes that British shipowners will place sufficient orders this year to avert a jobs crisis in shipyards. A £16m. order for two cargo liners has been placed by Furness Withy with Scott Lithgow, the Port Glasgow shipbuilder.

This is the largest order placed with a British yard this year by a British owner. It is only a fraction of the business required to guarantee employment across the industry until 1978, but it comes when most yards are reporting an encouraging revival of inquiries from British owners.

Another major shipping company, Ocean Transport and Trading, is understood to be seeking tenders for half a dozen vessels including bulk carriers and cargo liners. In addition to the contract announced yesterday, Furness Withy is discussing with Swan Hunter a possible order for a gas carrier.

Traditionally, 35 per cent of British owners' orders have been enough to fill more than 70 per cent of U.K. yard capacity. But the British owners placed only 6 per cent of orders with domestic yards last year and, in the last few months, the Government has worked hard to persuade owners to back British shipbuilding.

While Government pressure may be prompting some response, the falling pound may be as important a factor by making British yards more price competitive. Nevertheless, further financial inducements may be necessary to increase the volume

Breathing space

The Furness Withy ships, 18,500 deadweight tons and designed to carry containers as well as bulk cargo, give Scott Lithgow a valuable breathing space while the company waits for a decision on whether to go ahead with a second large oil tanker ordered by the financially troubled Maritime Fruit Carriers.

Work on this tanker has been postponed because of Maritime's cash crisis and the Furness Withy ships will fill the gap in the building programme. The two ships are due for delivery at the end of 1977 and early next year.

Wales's only shipbuilding firm, Hancocks Shipbuilding Company, disclosed yesterday that it had won a £2.5m. order from a Norwegian shipping company for two 1,500 dwt cargo boats. The contract contains options on a further ten similar ships to be built over the next four years for about £15m.

Shipyards—Sweden's Way, Page 13

Blastfurnacemen seek big rise to man new plant

BY IAN HARGREAVES, LABOUR STAFF

By Ian Hargreaves, Lab. Staff THE BRITISH Steel Corporation faces a union pay demand for manning a huge blast furnace being built at Redcar, Teesside. The initial demand is for payments well above those conceded five months ago after a long and bitter dispute to blastfurnacemen at Llanwern, South Wales.

The claim has been put into the talks by the National Union of Blastfurnacemen after eight months bargaining on subsidiary matters, because the union believes that an early agreement on a top cash figure is central to the two-year negotiations. The Redcar furnace, with a capacity of 10,000 tonnes of molten iron a day, will be twice as big as Llanwern. It is expected to be completed within two years.

The aim of such early negotiations for work on the furnace, which was costed at £50m. in 1974, is to avoid a repetition of the disastrous confrontation at Llanwern last year, when lighting of a new furnace was delayed nearly 12 months in a dispute over pay which brought the NUB to the brink of a national strike.

Mr. Nicholas Levey, the Middlebrough district secretary of the union, who is handling the day-to-day negotiations, said that agreement with the Cor-

Bitter memories

Probably because of bitter memories over what it considers the ill-effects of publicity in the Llanwern dispute, the Corporation is saying nothing beyond confirming that preliminary talks are in progress. The union has not disclosed figures either, but Mr. Levey said he was looking for "an equitable and realistic wage period of stability for two to three years".

The indications are that so far the talks have gone well. The union has accepted without demur proposals which in some

week to clarify the party's position but criticised the emphasis that had been placed on a tight monetary policy. "That does not solve the problems of inflationary pressure in the private sector," he said.

"If our party is to place such an overwhelming reliance on monetary policy, it is important that the country should know in greater detail the manner in which that policy would be pursued."

Criticising the "shadow" Cabinet's lack of specific proposals on the reduction of public spending and borrowing, Mr. Walker said the biggest single contributor to the recent increase had been free collective bargaining in the public sector.

The suggestion that cash limits on nationalised industries would prevent their paying excessive wages could not succeed if there were a free-for-all in the private sector.

Mr. Geoffrey Howe yesterday pledged that a future Conservative government would replace what he called "political taxes" like the Capital Transfer Tax.

Walker warns Tories against divisive industrial strategy

BY PHILIP RAWSTORNE

MR. PETER WALKER, former Industry Secretary, last night warned the Conservative Party that it was in danger of adopting an industrial strategy that would "divide the nation".

The party appeared to be moving towards a policy of tough restrictions on the money supply combined with a return to free collective bargaining after reducing trade union power by abolishing social security payments to strikers' families and changing the law on picketing, he said.

No Conservative Government that seriously wanted to establish good relations with the unions could follow such a policy, Mr. Walker told the Tory Reform Group in London.

"The election, including millions of trade unionists who normally vote Conservative, would be wary of such a policy," Mr. Walker said. The Conservatives were already at a considerable disadvantage because of their lack of a consistent approach to the question of incomes policy.

Because of their reluctance to accept its immediate necessity, the Conservatives were failing to produce constructive proposals for the type of industrial society in which a return could be made to free collective bargaining based upon a new sense of responsibility within industry itself.

The former Cabinet Minister urged the party to unite on a programme based on four main policies:

1—The establishment of a Parliament of industry, with members from all sections of industrial life publicly debating the major economic and industrial issues.

2—Secret postal ballots for the election of trade union officials.

3—A scheme for introducing, over a three-year period, a form of worker participation in all companies employing over 250 people.

4—A profit-sharing scheme, with tax free payments to employees every three years from profits deducted from Corporation Tax.

Mr. Walker welcomed an attempt by Sir Geoffrey Howe, the "shadow" Chancellor, last

Continued from Page 1

Pay plan wins more union votes

recent strike action, would remain peaceful for the life of the new policy.

Similarly, Mr. Len Brindle, the Left-wing delegate, who declared he would vote in favour of the policy because to do otherwise was likely to bring about the return of a Tory government. Although opposed to the continued social contract, he saw it as the lesser of two evils.

Meanwhile on the other side of town, 200 delegates representing the 54,000-member Inland Revenue Staff Federation voted with a mere handful against to support the policy at the special congress.

During the debate, Mr. Cyril Plant, their general secretary and this year's TUC chairman, underlined that the present "grim" situation would get worse unless the policy was accepted by the trade union movement.

He expressed the belief that acceptance of the proposal would allow inflation to be brought under control and that opposition to the policy was now confined to "a small band of political wreckers".

The only rumblings of union discontent yesterday came from leaders of Scottish and Kent miners who decided not to expectedly to campaign against the National Union of Mine-workers decision to support the policy ahead of national pithead ballot which starts next week.

Delegates of the Society of Civil Servants, meeting in Folkestone, are to-day expected to vote against the TUC pact, but national leaders of the Union of Post Office Workers yesterday pledged their support.

Chairman of Datastream resigns to end row

BY KEITH LEWIS

MR. DAVID HUNTER JOHNSTON has resigned as chairman of Datastream, which sells computerised statistical information on companies and economies, to resolve the dispute between management and employees.

His action is likely to prevent the resignation of more than 100 other Datastream employees, and a spokesman last night stated that the crisis was now over. A full Press statement is expected to-day.

The precise nature of the row has not so far been disclosed, although central to the issue has been the personality clash between Mr. Hunter Johnston and Mr. J. G. Blease, the former chief executive and principal creator of the Datastream scheme who left a week ago.

It is not yet certain whether Mr. Blease will be asked to return, although this is possible; he was not involved in the dis-

National Coal Board and was appointed a Board of Trade Inspector to investigate the affair of Rolls Razor.

Next month Sir Henry is due to give up his role as first chairman of the International Accounting Standards Committee, which is introducing a degree of harmonisation into accounting practices in different countries.

The Royal Commission, whose other members will be announced soon, is to inquire into the law and practice relating to the provision of legal services in England, Wales and Northern Ireland.

It will consider whether changes are desirable, in the public interest, in the structure, organisation, training and regulation of the legal profession.

The inquiry also will cover questions of remuneration and rules which allow only barristers or solicitors to undertake conveyancing and other legal business.

Mr. Hunter Johnston, who is 61 and a former merchant banker, said of his resignation, which was handed in on Monday morning, that "this is the best contribution I can make to the restoration of peace and sanity."

He was appointed on May 1, 1975. Negotiations for withdrawal of the other resignations—covering two-thirds of the workforce—are now in progress.

Had the mass resignations gone through, there can be little doubt that this would have been a severe blow to stockbrokers Hoare and Co. Govett, even though Datastream technically ceased to be a subsidiary in March this year.

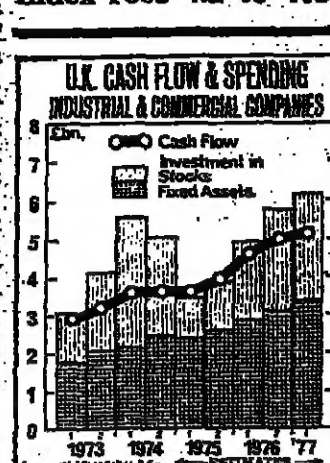
It would have jeopardised the intended sale of Datastream. At the moment both the broking and computer businesses are owned by the same 70-80 shareholders.

THE LEX COLUMN

Sales pointers at Debenhams

This market won't stay down for long and both gilts and equities staged useful rallies yesterday. At the long end of the gilt-edged market prices have moved back to the top level and the Government broker could well be bid for more stock this morning. Only about £150m. of the long tap is thought to be left, and in the right conditions this amount could become exhausted quite quickly. Meanwhile a circular from brokers W. Greenwell provides some short-term comfort for equities with a judgment that cash flow plus rights issue proceeds will leave the company sector fairly well placed for the rest of this year. But with re-stocking getting under way in the second half a fairly large cash flow deficit will appear by the first half of 1977.

Index rose 4.2 to 405.2



at 89p are well supported by 7.7 per cent yield.

Debenhams

The rejuvenation of Debenhams is evidently continuing into the current year. With pre-tax profits slightly ahead of the forecast at the time of the rights issue last autumn—£13.5m. after charging some £1.4m. in respect of redundancy costs and losses at the Amerex associate—the sales trend has continued to be buoyant so far in 1976-77. Department store sales for the 15 weeks to mid-May were up 17 per cent despite some negative weeks in April which compared with the pre-VAT boom last year, whereas figures for the John Lewis Partnership show only tiny growth. The gamble involved in the massive staff cuts—10,000 workers, a third of the total—was that this might affect customer appeal. Instead Debenhams seems to be benefiting from a better value image and a more aggressive marketing policy, of which the take-over of Hamleys is the latest example. Sales growth was 24 per cent in the second half last year, and pre-interest margins for the 12 months expanded from 4.8 to 7.3 per cent.

Apart from the £10.6m. rights issue Debenhams has not done much about reducing its level of debt—some £70m. last October—and indeed it is borrowing \$8m. in the U.S. to finance the Miller purchase and will pay for the £4.8m. Hamleys acquisition through a placing of Convertible. But trading profits now cover interest outgoings about three-fold, and as long as the trading news continues to be this good the shares

Sun Life/Artagen

The most tangible part of the Artagen defence document is 1975.

the forecast of a 70 per cent dividend increase in 1976, which will just about be covered by projected profits and will take the yield at Sun Life's bid price of 73p up to 5.7 per cent. The after the arguments become more debatable. Just 10 months after its previous valuation, Jones Lang Wootton came up with revised figures which take net worth up by fifth to 89p per share; but valuations were done on a basis of open market value and remarkably enough J.L.W. prepared to state that portfolio of properties like the should actually attract premium on the sum of parts. Elsewhere Artagen's forecast profits through to the end of 1977 on the assumption that interest and exchange rate will not change "materially" and it also claims that the value of its cheap financing arrangements with Sun Life is worth an extra 34p per share.

In reality the agreement worth whatever Sun Life willing to pay in order to be released from its liability calculations like Artagen involve extremely hypothetical assumptions about rent and discount rates over a 25-year period. Clearly the bidder going to have to pay more than 10p for the shares 50p lies in the way that the two sides seem to be talking themselves into such deep entrenched positions.

William Mallinson

William Mallinson's net worth capital rose by 8 per cent in 1975, but with the third cycle now moving upwards—strict contrast to the impetuous purchasing power of the pound—the group reckons stock level could be rising very sharply at the end of the current year. This explains the rights issue, which is one of the heaviest for months raising almost 30 per cent of Monday night's market capitalisation. The dividend, going up by a quarter this year and that puts the ex-rights yield of 8.7 per cent almost a point above the return on the convertible Preference. A combination of Preference conversion and the rights could add nearly 1 per cent to Mallinson's equity. If that happens it will need, and around £7m. pre-tax, to year to avoid earnings dilution—against £5.2m., up £1m. in 1975.

EMI agrees to buy British Lion Films

BY ARTHUR DANIELS

EMI is expanding its film interests and tidying up questions surrounding its film management succession by buying British Lion Films. As a result of the deal, the two men who own and run British Lion, Mr. Michael Dealey and Mr. Barry Spinkings, will join EMI—clearly marked as heirs apparent to Sir Bernard Delfont and Mr. Nat Cohen.

Sir Bernard heads EMI's group entertainment activities. He is in his 80s. Mr. Cohen (70) is responsible for EMI's successful film production activities.

British Lion Films was part of Lion International until a year ago. It is a film production and distribution company which was bought by Spinkings and Dealey from Lion International for a little over £1.5m. At the time, the two men were running the company for Lion.

Before and since that acquisition, which did not include the Shepperton studios, British Lion has been remarkably successful. At the moment, its latest film, "The Man Who Fell to Earth," starring the pop singer David Bowie, is proving a considerable money-spinner.

EMI's need to secure long-term management succession has

Government will not act on BP's Italian pay-out

BY JOHN HUNT

MR. JOEL BARNETT, Chief Secretary to the Treasury, made it clear yesterday that the Government intends to take no direct action over the payment by British Petroleum and Shell of £3.5m. to Italian political parties over a five-year period.

A major controversy blew up a month ago when Press and television disclosed that the payments had been made, and the two companies later confirmed this. But Mr. Barnett indicated in a Commons statement yesterday that so far as the Government is concerned the incident is closed.

However, the Government has given a rather vague promise to initiate discussions through such organisations as the OECD and the United Nations, so that international action can be taken against the evil of bribery and corruption "wherever it is found."

This failed to mollify Labour Left-wingers, who unsuccessfully attempted some weeks ago to have the matter investigated by the Commons Select Committee on Nationalised Industries.

The Government statement drew a predictable outburst from members of the Tribune Group. Mrs. Audrey Wise, Labour MP for Coventry South-West, told Mr. Barnett that it was "feeble, inadequate and unacceptable."

Many MPs on both sides of the House were surprised at the tolerant attitude displayed by the Government. The Chief Secretary firmly maintained that

the main responsibility for deciding whether such payments were acceptable rested with the foreign country concerned.

"It is not within the Government's power unilaterally to prevent corruption in other countries," he declared.

When a Tory MP complained that it was difficult for our exporters to compete against foreign companies who had less scruples than ourselves, Mr. Barnett assured him: "There is nothing that I or the Government would wish to do that would discriminate against our exporters in foreign markets."

He said that the Government would be most concerned if any company made secret political payments in the U.K. and under British legislation such payments would have to be recorded in the company's annual report. However, the chairman of BP declared that his company had never made political contributions in Britain, and Mr. Barnett welcomed this statement.

The Government was ready to root out bribery and corruption and was anxious that all British companies should conduct their overseas business within the law of their host-countries.

"Nevertheless, the high standards of business practice that we expect from British companies do not apply everywhere, and the main responsibility for deciding what is unacceptable and for dealing with it must rest with the host-countries themselves," he concluded.

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